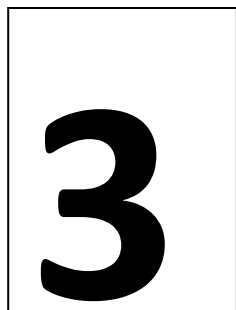


STANDING COMMITTEE ON RURAL DEVELOPMENT

(2014-2015)



SIXTEENTH LOK SABHA

MINISTRY OF PANCHAYATI RAJ

**DEMANDS FOR GRANTS
(2014-15)**

THIRD REPORT



LOK SABHA SECRETARIAT

NEW DELHI

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(SIXTEENTH LOK SABHA)

MINISTRY OF PANCHAYATI RAJ

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(2014-15)

Presented to Lok Sabha on 19.12.2014

Laid in Rajya Sabha on 19.12.2014



LOK SABHA SECRETARIAT

NEW DELHI

December , 2014/ Agrahayana, 1936 (Saka)

CRD No. 100

Price: Rs.

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Thirteenth Edition) and Printed by _____.

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

Dr. P.Venugopal - *Chairperson*

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LOK SABHA

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3. Shri Kirti Azad
4. Shri Harish Chandra Chavan
5. Shri Biren Singh Engti
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- | | | |
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| 4. Miss Melody Vungthiansiam | - | Committee Assistant |

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

** 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

(iv)

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 Third Report on Demands for Grants (2014-15) of the Ministry of Panchayati Raj.

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

3. The Committee took briefing of the representatives of the Ministry of Panchayati Raj on 24 September, 2014 and evidence on 18 November, 2014.

4. The Report was considered and adopted by the Committee at their sitting held on 16 December, 2014.

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

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

NEW DELHI;
18 December, 2014
27 Agrahayana, 1936 (Saka)

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

(v)
ABBREVIATIONS

3Fs	Functions, Functionaries and Finance
ACA	Additional Central Assistance
ARC	Administrative Reforms Commission
BE	Budget Estimates
BPL	Below Poverty Line
BRGF	Backward Regions Grant Fund
CFC	Central Finance Commission
CSS	Centrally Sponsored Scheme
DAVP	Directorate of Advertising and Visual Publicity
DI	Devolution Index
DPC	District Planning Committee
DPR	Detailed Project Report
EAA	Extremist Affected Area
EAD	Extremist Affected District
ER	Elected Representative
EWR	Elected Women Representative
EYR	Elected Youth Representative
FC	Finance Commission
GOI	Government of India
GP	Gram Panchayat
GS	Gram Sabha
HLMC	High Level Monitoring Committee
HPC	High-Powered Committee
IA	Implementing Agencies
IAP	Integrated Action Plan
ICDS	Integrated Child Development Services
ICT	Information and Communication Technology
IEC	Information, Education, and Communication
IIPA	Indian Institute of Public Administration
ISP	Internet Service Provider
IT	Information Technology
LWE	Left-wing Extremism
MAS	Model Accounting System
MMP	Mission Mode Project
MP	Members of Parliament
MoPR	Ministry of Panchayati Raj
MoU	Memorandum of Understanding
MSP	Minimum Support Price
NCBF	National Capacity Building Framework
NCW	National Commission for Women
NE	North Eastern
NeGP	National e-Governance Plan
NGO	Non-Governmental Organisation
NIC	National Informatics Centre
NICSI	National Informatics Centre Services Inc.
NLM	National Level Monitor for BRGF
NPC	National Programme Committee
PEAIS	Panchayat Empowerment and Accountability Incentive Scheme
PESA	Panchayats (Extension to the Scheduled Areas) Act, 1996
PDS	Public Distribution System
PMEYSA	Panchayat Mahila Evam Yuva Shakti Abhiyan
PR	Panchayati Raj
PRI	Panchayati Raj Institution

PRIA	Society for Participatory Research in Asia
PRIA Soft	PRI Accounting System Software
RD	Rural Development
RE	Revised Estimate
RGPSA	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan
RGSY	Rashtriya Gram Swaraj Yojana
RSVY	Rashtriya Sam Vikas Yojana
SC	Scheduled Caste
SEC	State Election Commission
SFC	State Finance Commission
SIPRD	State Institute of Panchayats Rural Development
SIRD	State Institute of Rural Development
ST	Scheduled Tribe
TFC	Twelfth Finance Commission/Thirteenth Finance Commission
ULB	Urban Local Body
UT	Union Territory

**REPORT
PART I
NARRATION ANALYSIS**

I. INTRODUCTORY

The Constitution (73rd Amendment) Act, 1992 that came into effect in April 1993 brought about major reforms in local governance by institutionalizing three tier Panchayati Raj Institutions (PRIs) in the country. Subsequently, the Ministry of Panchayati Raj came into existence with effect from 27th May, 2004 after being carved out of the Ministry of Rural Development.

1.2 The formation of a separate Ministry of Panchayati Raj in May, 2004 at the Centre was indicative of the determination of the Government of India to give a major push to such reform. 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 meeting the aspirations of the local population. The Ministry intends to attain it in a mission mode by way of (i) persuading and encouraging States to devolve powers (Functions, Functionaries & Finance i.e., 3Fs) to PRIs, (ii) Capacity Building of PRIs and (iii) Creation of a vibrant interface between PRIs and the rural people through Gram Sabhas.

1.3 The mandate of the Ministry of Panchayati Raj thus flows from the Part-IX of the Constitution of India, titled 'The Panchayats', read with Article 243 ZD of Part –IX A relating to District Planning Committees and the Eleventh Schedule, which illustratively sets out a list of 29 matters that might be considered by the State legislatures for devolution to the Panchayats. Panchayati Raj is included in the State List of the Seventh Schedule. The States have been entrusted with the responsibility for devolution of powers to the Panchayats.

1.4 The schemes and programmes administered by the Ministry mainly include Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), Backward Regions Grant Fund (BRGF), Media & Publicity and Action Research & Research Studies.

1.5 On the achievements of the existing system of Panchayati Raj as envisaged in the Constitution 73rd (Amendment), the Ministry has stated in a written note as under:

” (1) As per the Constitution, ‘Panchayats’ figure as State subject under Entry 5 of List II of the 7th Schedule of the Constitution. Legislation with respect to Panchayats is therefore undertaken by the States. Provisions of Part IX of the Constitution relating to Panchayats may be broadly categorized into Mandatory and Discretionary provisions.

Mandatory provisions include:

- (i) Three tiers of Panchayats except in States with population below 20 lakhs. (Article 243B)
- (ii) Direct election to seats at all the three tiers of Panchayats (Article 243C)
- (iii) Reservation of seats for the Scheduled Castes and Scheduled Tribes in proportion to their respective population (Article 243 D) out of which not less than one third seats and offices of chairpersons for women belonging to SC and ST. (Article 243D)
- (iv) Election to Panchayats every five years (Article 243 E).
- (v) Constitution of State Finance Commission (Article 243 I)
- (vi) 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 elections to the Panchayats in SEC (Article 243K)

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

- (i) Powers of Gram Sabha (Article 243A)
- (ii) Direct or indirect election of president of Village Panchayat (Article 243C)
- (iii) Reservation of seats in Panchayats in favour of backward class of citizens [Article 243 D (6)].
- (iv) Powers, authority and responsibilities of Panchayats (Article 243G)
- (v) Powers to impose taxes by and fund of, the Panchayats (Article 243H)

2. Mandatory provisions have generally been complied with by all States. The position with regard to discretionary provisions varies across States because the devolution of powers and authority to Panchayats have been left to the States as per Article 243G which reads as under:-

“Subject to the provisions of this 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 institutions 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 matters listed in the Eleventh Schedule.

The State Legislatures are to consider the 29 matters [illustratively set out in the Eleventh Schedule] (**Annex- I**) for devolution to the Panchayats.

States vary in the extent to which they have devolved powers to the Panchayats. The Status of devolution of funds, functions and functionaries to Panchayats by States is provided at **Annex-II.**”

II. Status of implementation of recommendations contained in the Thirty Ninth report of the Standing Committee on Rural Development on Demands for Grants (2013-14) of the Ministry of Panchayati Raj

1.6 The Thirty Ninth Report of the Standing Committee on Rural Development on Demands for Grants (2013-14) pertaining to the Ministry of Panchayati Raj was presented to Parliament on 30 April, 2013 and the related Action Taken Report i.e. Forty Ninth Report was presented to Parliament on 7 February, 2014.

1.7 The Thirty Ninth Report contained 11 recommendations out of which the Government had accepted 7 recommendations. At the stage of examination of Action Taken submissions of the Government, the Committee reiterated its remaining recommendations for acceptance by the Government.

1.8 The Minister of Panchayati Raj made a Statement in Parliament under Direction 73A of Directions by the Speaker on 7th August, 2014. Out of the total 11 recommendations contained in the Thirty Ninth Report, 6 recommendations have been implemented and 5 are under process.

1.9 The final Action Taken Statement on the recommendations contained in the Thirty Ninth Report of the Committee is yet to be furnished by the Ministry of Panchayati Raj.

III. Overall Analysis of Demands for Grants

1.10 Demand No. 71 which relates to the Ministry of Panchayati Raj was laid on the Table of the Lok Sabha on 17 July, 2014.

1.11 Under Demand No. 71, the Ministry of Panchayati Raj has been allocated the sum of Rs. 7000.70 crore for the fiscal year 2014-15 with Plan component of Rs. 7000 crore and Non-Plan component of Rs. 0.70 crore. This outlay is Rs. 200 crore lesser than the

previous years' B.E of Rs. 7200 crore and Rs. 3500 crore higher than previous years' R.E of Rs. 3500 crore.

A. Budget allocations

(Rs. in crore)

Sl.No.	Name of the Scheme	Budget Estimates (2014-15)
PLAN		
1.	Management Cell	25.00
2.	Contribution to International Organizations	0.10
3.	External Assistance under Projects Assisted by UN Agencies	1.90
4.	Media & Publicity	20.00
5.	Action Research and Research Studies	3.00
6.	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)	1050.00
7.	Training of EF & PF	25.00
8.	Backward Regions Grant Fund (BRGF)	5900.00
TOTAL PLAN		7000.00
NON PLAN		
Secretariat Economic Services		0.70
GRAND TOTAL (PLAN & NON PLAN)		7000.70

1.12 When asked about the priorities of the Ministry during the current financial year, the Ministry in a written reply stated as under:

“Priority areas for the Ministry include sanctioning of State and UT Plans and release of funds timely, supporting the States in developing capability to conduct trainings including development of specific content like Manual for Elected representatives and specific training modules for adaptation by States (particularly training module on sanitation), and conduct of quality training by reaching out to at least 10 lakh panchayat ERs and functionaries. The enablement of Panchayats is an important priority, as is the strengthening of the institution of the gram sabha in PESA areas. “

B. Outlay during Twelfth Five Year Plan

(Rs. in Crore)

Year	BE	RE	Actual Exp.
2012-17	40853.00	-	-
2012-13	5350.00	4000.00	3936.35
2013-14	7200.00	3500.00	3461.23
2014-15	7000.00	-	1788.25*

* As on 19-Sept-2014

1.13 While observing the trend in reduction of outlay and expenditure during the first two years of Twelfth Five Year Plan viz. 2012-13 and 2013-14, the Ministry was asked to explain as to how the total outlay of Rs. 40853.00 crore would be utilised during the Twelfth Plan i.e by the year 2017. The Ministry in a written reply, therefor, stated as under:

“The plan allocation for RGPSA for 12th Plan Period is to the tune of Rs.11270 crore. The utilization of allocated resources depends on timely submission of plans & implementation by the States so that releases are made by the Ministry early and States can come back with UCs for claiming the second installment. Unfortunately, this is not happening with quite a few States lacking the capacity to submit their plans complete in all respects timely. Ministry will make earnest efforts to strengthen the capacities of the PRIs by providing them all the necessary support and guidance so that they are enabled to prepare & implement their plans in time and also claim & spend full allocations during the 12th Plan Period.”

IV. Analysis of Annual Plan (2013-14)

A. Overall trend of expenditure

1.14 The Ministry has given the following figures about overall trends in expenditure vis-à-vis BE/RE in 2013-14:

(Rs. in crore)

Name of programme	Financial			
	Targets		Achievements (Upto 31.03.2014)	Percentage Achievement w.r.t. RE
	BE	RE		
Secretariat	22.00	22.00	14.65	66.59
Media & Publicity	15.00	15.00	14.42	96.13
UN Assisted Projects	4.90	4.90	0.32	6.53
Action Research and Research	3.00	3.00	2.18	72.67

Name of programme	Financial			
	Targets		Achievements (Upto 31.03.2014)	Percentage Achievement w.r.t. RE
	BE	RE		
Studies				
Contribution to International Local Governance Bodies	0.10	0.10	0.08	80.00
Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)	655.00	655.00	629.58	96.12
Backward Region Grant Fund (BRGF)	6500.00	2800.00	2800.00	100.00
Total	7200.00	3500.00	3461.23	98.89

1.15 When asked regarding the reasons for such huge reduction of Rs. 3700 crores in allocations at RE stage especially under BRGF scheme, the Ministry stated as under:

“Under BRGF the BE allocation of Rs. 6500 crores was reduced to Rs. 2800 crores at RE stage. BRGF is a process oriented and demand driven programme implemented by the PRIs. During 2013-14, the pace of releases had been slow in the first two quarters. This was due to late submission of proposals by many States and also on account of the non- submission/ discrepancies in requisite documents like UCs, physical & financial reports and audit reports. States had been generally slow in reporting expenditure against the previous releases. The releases made in a particular financial year are also included in the unspent balances since the utilization reports for the same are received in the next financial year. This resulted in further increase in the total unspent balance leading to reduction in the budget at RE stage.”

1.16 The Committee further enquired as to what extent the reduction in resources affected the pace of implementation of different programmes of the Ministry. The Ministry in a written reply stated as under:

“The untied funds under BRGF 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. Under the BRGF Programme, during 2013-14, there were a total of 85 districts, majority being of Jharkhand (20 districts) and Uttar Pradesh (17 districts), which could not claim their first installment itself during 2013-14. Besides, 20 States could not claim the Capacity Building Grant. Second installment could not be released to any State / district due to non-availability of funds. To that extent, the pace of implementation in those States was affected.”

1.17 During the course of evidence, the Secretary, Ministry of Panchayati Raj also informed:

“Sir, last year, our total allocation was Rs.7200 crore. As some hon. Members have raised the question as to why we have spent only Rs.3500 crore, the reason is that

most of the States did not come in time with their plans under BRGF and our expenditure in the first two quarters was not up to the mark under this scheme. Therefore, the Ministry of Finance at the RE level discussions, cut our budgetary grants and reduced it to Rs.3500 crore. So because of this, most of the States which came to us very late, they could not avail of these funds. For example, there were 85 districts in the country which did not submit their proposals in time, therefore, we could not release them any money. Out of these 85 districts, there were 20 districts in Jharkhand and 17 districts in Uttar Pradesh which could not claim any amount of money because by the time they came to us with their plan proposals, it was very late. By that time, the Finance Ministry had already cut our budget in spite of our request that they should not do that. So, the weak States suffer on two accounts. Their capacities are not there. Since they are unable to give us their plans in time because of their low capacities, they are the ones who suffer the most when Finance Ministry cuts our funds. It is a vicious cycle. It is not that we did not spend funds. We were prepared to spend all our plan allocation but got only Rs.3500 crore as RE. “

B. Unspent Balances and outstanding Utilization Certificates

1.18 The Outcome Budget provides information on the position of outstanding utilization certificates and unspent balances with states and implementing agencies as on 31 March, 2014.

Status of Outstanding Utilization Certificates as on 31.03.2014.

(Rs. in crore)

Scheme	Amount
Backward Regions Grants Fund	521.87
Rashtriya Gram Swaraj Yojana Training and Capacity Building Infrastructure Development	73.98
Action Research and Research Studies	0.22
Mission Mode Project on e-Panchayats	59.65
Panchayat Mahila Evam Yuva Shakti Abhiyan	3.10
Rural Business Hubs	1.69
Panchayat Empowerment & Accountability Incentive Scheme	26.52
Rajiv Gandhi Panchayat Sashaktikaran Abhiyan	42.91
Media & Publicity	0.007
Total	729.947

Status of Unspent Balances as on 31.03.2014

(Rs. in crore)

Sl. No.	Scheme	Unspent balance
1.	Secretariat	-
2.	Media & Publicity	0.007
3.	Projects Assisted by UN Agencies	-
4.	Action Research and Research Studies	1.10
5.	Contribution to International Local Governance Bodies	-
6.	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)	629.58
7.	Backward Region Grant Fund	4798.67
8.	Rashtriya Gram Swaraj Yojana Training and Capacity Building Infrastructure Development	146.60
9.	Panchayat Mahila Evam Yuva Shakti Abhiyan	4.31
	Total	5580.267

1.19 When asked about the reasons for such huge unspent balances and outstanding utilization certificates, the Ministry in a written reply stated as under:

“BRGF is a process oriented and demand driven programme. Huge unspent balance is reflected as the States are reporting expenditure against the previous releases only at the time of furnishing Plan proposals for 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.”

1.20 The Committee enquired about the measures taken by the Ministry to ensure timely utilization of funds and furnishing of Utilization Certificates, for which the Ministry in a written reply stated as under:

“To ensure timely utilization of funds and furnishing of Utilization Certificates under BRGF in 2014-15, this Ministry has taken the following steps:

- (i) Prompt intimation of Annual allocation for 2014-15 at the beginning of the year to the Principal Secretaries/ Secretaries of all BRGF States with the request to submit the Annual Action Plans latest by 25-06-2014.
- (ii) Four Regional Review Meetings were held in the first quarter of this year.

- (iii) Regular review and follow up through letters / telephones / e-mails. Chief Ministers of the States from where majority of the Plan proposals are still awaited are being reminded at the level of Minister of Panchayati Raj.
- (iv) Visit by officers of the Ministry to the BRGF States / Districts to review & guide the concerned.
- (v) The States are being requested to advise the PRIs to get the annual plans for the next financial year prepared in the last quarter of the previous financial year and get the same approved by the District Planning Committees so that the same is made available to the MoPR in the first quarter of the financial year itself and the funds could be released immediately. “

V. Scheme-wise Analysis

1.21 The Ministry of Panchayati Raj administers two main schemes of Backward Regions Grant Fund (BRGF) and Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA).

- (i) Backward Regions Grant Fund (BRGF) programme was launched on 19th February 2007 subsuming the Rashtriya Sam Vikas Yojana (RSVY) under it. The scheme now covers 272 Backward districts in 27 States.
- (ii) Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) was launched during the 12th Five year Plan by merging the schemes of Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA), Rashtriya Gram Swaraj Yojana(RGSY) and e-Panchayat.

1.22 Besides the above, the Ministry also monitors two small schemes of Media & Publicity and Action Research & Research Studies.

1.23 The above schemes are discussed in the succeeding paragraphs.

A. Backward Regions Grant Fund (BRGF)

1.24 The Backward Regions Grant Fund (BRGF) is implemented to redress regional imbalances in development by way of providing financial resources for supplementing and converging existing developmental inflows in the identified backward districts, so as to bridge critical gaps in local infrastructure and other development requirements that are not being adequately met through existing inflows. The programme is implemented in the 272 selected backward districts in various States. The Scheme aims at focused development programmes for backward areas, which would help reduce imbalances and accelerate development.

Panchayati Raj Institutions play a pivotal role in planning, implementation and monitoring under this Scheme.

(i) Features

1.25 The main features of the programme are as below:

- a) The approach is of putting the Panchayats and the Municipalities at the centre stage of planning and implementation;
- b) The grant is 'untied' and can be used for any work preferred by the Panchayat/ Municipality, as long as it fills a development gap and the identification of the work is decided with people's participation; and
- c) The allocation for capacity building of Elected Representatives and Panchayat Functionaries is earmarked separately @ Rs. 1.00 crore per district per year.

(ii) Funding Pattern

1.26 BRGF Programme is a Centrally Sponsored Scheme (CSS), funded 100% by the Government of India.

(iii) Fund Flow Mechanism

1.27 All funds sanctioned by the Ministry under the Programme are transferred directly to the Consolidated Fund of the State Government concerned. These funds are required to be transferred to the Implementing Entities i.e Panchayats, Municipalities etc. by the State Government within 15 days failing which the States are required to pay penal interest @ RBI rate. To ensure sufficient fund availability, requirement for minimum spending is 60% for claiming of second instalment by the districts.

(iv) Financial performance of the BRGF Scheme

(A) Allocation for Twelfth Plan

1.28 The allocation for BRGF scheme for the Twelfth Plan is Rs. 29306 crores. The details submitted by the Ministry of Panchayati Raj regarding allocations for Annual Plans during the Twelfth Plan are as under:

(Rs. in crore)			
Year	BE	RE	Actuals
2012-13	5050.00	3734.00	3720.00
2013-14	6500.00	2800.00	2800.00
2014-15	5900.00	-	1702.42 (as on 23.9.2014)

1.29 Asked about the reasons for the continuous reduction at RE stage under the BRGF scheme particularly a 43% reduction of allocation at the RE stage in 2013-14, the Ministry in a written reply stated as under:

“Under BRGF the BE allocation of Rs. 6500 crores was reduced to Rs. 2800 crores at RE stage. BRGF is a process oriented and demand driven programme implemented by the PRIs. During 2013-14, the pace of releases had been slow in the first two quarters. This was due to late submission of proposals by many States and also on account of the non- submission/ discrepancies in requisite documents like UCs, physical & financial reports and audit reports. States had been generally slow in reporting expenditure against the previous releases. The releases made in a particular financial year are also included in the unspent balances since the utilization reports for the same are received in the next financial year. This resulted in further increase in the total unspent balance leading to reduction in the budget at RE stage.

The untied funds under BRGF 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. Under the BRGF Programme, during 2013-14, there were a total of 85 districts, majority being of Jharkhand (20 districts) and Uttar Pradesh (17 districts), which could not claim their first installment itself during 2013-14. Besides, 20 States could not claim the Capacity Building Grant. Second installment could not be released to any State / district due to non-availability of funds.”

1.30 The Committee further enquired as to how the Ministry proposed to utilize the allocated funds under BRGF during 2014-15 when they have not even been able to utilize less than half of the allocated amount in the past fiscal year. To this, the Ministry in a written reply stated as under:

“...From this financial year, proposals are being processed in e-office within the Ministry to speed up the releases. Signed copies of the sanctions are also being uploaded on the Ministry’s website for ease of access. As a result of these efforts, as on 31.10.2014, out of 272 Districts, 236 BRGF District Plans have been received and an amount of Rs. 2320 crores has been sanctioned and 2215.48 crores has already been released to 149 Districts towards 1st installment for 2014-15. Out of 28 States, 19 States have submitted their proposals for Capacity Building component and an amount of Rs. 19.29 crores has been released to 4 States.”

(B) Capacity Building and Development Grants

1.31 The budget allocation under the District Component of BRGF during 2013-14, stood at Rs. 6500 crore under two components, a Capacity Building Grant of Rs. 272 crore and Development Grant of Rs. 6228.00 crore. Releases under BRGF during 2013-14 were Rs. 2769.44 crore under Development Grant and Rs. 30.56 crore under the Capacity Building component. During the financial year 2013-14 Annual Action Plans under Capacity Building component of BRGF were received from 22 States. Capacity Building Grant was released to 7 States for Rs. 30.56 crore.

Release of funds to the States under the Development Grant component of BRGF during 2013-14 (as on 31.03.2014)

Sl. No.	State	No. of BRGF Districts	No. of District Plans		Funds Released
			Received	Against which funds released	
1.	Andhra Pradesh	13	13	12	325.62
2.	Arunachal Pradesh	1	1	0	0.00
3.	Assam	13	13	5	67.99
4.	Bihar	38	38	35	485.80
5.	Chhattisgarh	15	15	14	192.56
6.	Gujarat	6	6	4	42.87
7.	Haryana	2	2	2	25.25
8.	Himachal Pradesh	2	2	2	27.79
9.	Jammu & Kashmir	5	5	2	20.40
10.	Jharkhand	23	23	3	40.85
11.	Karnataka	6	6	4	71.22
12.	Kerala	2	2	0	0.00
13.	Madhya Pradesh	30	30	22	279.21
14.	Maharashtra	12	12	12	236.82
15.	Manipur	3	3	3	37.93
16.	Meghalaya	3	3	3	31.54
17.	Mizoram	2	2	2	25.36
18.	Nagaland	5	5	1	9.12
19.	Odisha	20	20	20	283.63
20.	Punjab	1	1	0	0.00
21.	Rajasthan	13	13	6	62.30
22.	Sikkim	1	1	1	8.68
23.	Tamil Nadu	6	6	6	94.42

24.	Tripura	1	1	1	12.90
25.	Uttar Pradesh	35	35	18	273.35
26.	Uttarakhand	3	3	2	22.79
27.	West Bengal	11	9	7	91.04
Total		272	270	187	2769.44

1.32 Regarding the reasons for non-release of funds in States like Arunachal Pradesh, Kerala and Punjab in spite of receipt of District Plans from these States, the Ministry in a written reply stated as under:

“Funds to Arunachal Pradesh could not be released due to non-availability of funds as there was huge reduction at RE stage. Funds to Kerala were not released due to high unspent balance and non-compliance of earlier shortcomings. In the case of Punjab the District Plan was not approved by the DPC.”

Status of funds released under Capacity Building Grant component of BRGF during 2013-14.

The Ministry submitted the following details in this regard:

Sl.No.	State	Funds released
1.	Assam	8.41
2.	Haryana	1.16
3.	Maharashtra	10.00
4.	Manipur	1.90
5.	Meghalaya	0.87
6.	Tripura	0.14
7.	West Bengal	8.08
Total		30.56

1.33 On being asked the reasons for low release of funds under the Capacity building component under BRGF during 2013-14, the Ministry in a written reply stated as under:

“As already stated BRGF is a process oriented and demand driven programme. There have been issues in off take of funds by the States due to late submission of proposals by many States and also on account of the non-submission/ discrepancies in requisite documents like UCs, physical & financial progress reports and audit reports, etc. A major cut in RE 2013-14 was another main reason due to which funds were not available for release.”

1.34 The Committee enquired about the reasons for release of Capacity Building Grants to only 7 States in spite of Action Plans being received from 22 States, the Ministry in a written reply stated:

“Capacity Building Plans were received from 22 States and funds were released to 7 States. Grants to the remaining 15 States could not be released due to reasons like Plans were not approved by the High Powered Committee, high unspent balances, non-compliance of pending issues and reduction in budget at the RE stage.”

1.35 During the course of evidence, the Secretary, Ministry of Panchayati Raj further elaborated as under:

“Now the main problem in the implementation of BRGF and RGPSA schemes is that most of the State Governments lack the capacity to do planning at the grass root level. As we were trying to explain, why the plans from the State Government are coming late because most of the State Governments do not have the capacity to frame proper plans in time. There are two types of States. One type of States are those States which have developed their capacities and they are capable of formulating their plans in time. They are the advanced states. They send us plans in time and they avail of their money and grants in time. But there are certain weak States which do not have the capacity. It is understandable that those States which are weak States, they do not have the administrative and technical wherewithal or administrative or technical manpower to do project/planning or give us projects in time. We can assist them. But there are other category of States which do have the manpower and means but because of certain avoidable reasons, those States are not sending us the plan proposals in time. For example, there is no reason why in some States DPCs should not meet timely. My information is that in some districts plans are ready in time but DPCs do not meet in time and endorse the plan and forward it to the State Government. Therefore, a lot of time is wasted in this.”

1.36 Asked about the total number of elected representatives and functionaries trained during 2013-14, the Committee in a written reply stated as under:

“The financial assistance was provided to States for training of 10.96 lakh participants during 2013-14. The National Capacity Building Framework (NCBF) provides a framework for regular training of Elected Representatives, officials and other stakeholders in the Panchayati Raj, to enable them to perform their functions effectively. This framework is being taken into account by the States (Panchayati Raj being a State subject) while building the capacity of Elected Representatives and Functionaries of the Panchayats. 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, duly approved by High Powered Committee (HPC), received from them. However, no data on the number of elected representatives and functionaries has been made available by the States.”

(v) Restructuring of BRGF

1.37 As per the Finance Minister's Budget speech for the year 2014-15 restructuring of the BRGF Programme seeks to address intra-district inequalities to ensure that backward sub-district units within the States receive adequate financial support. Pursuant to this the Ministry has prepared a draft EFC memorandum for restructuring of the District Component of the BRGF Programme and this has been circulated to Planning Commission, Department of Expenditure and Ministry of Rural Development for comments. After EFC approval, the proposal will be placed before the Cabinet for approval.

1.38 On being asked the progress regarding the draft EFC memorandum and the restructuring of BRGF scheme, the Ministry in a written reply stated as under:

“Comments from various Ministries (D/o Expenditure, D/o Rural Development and Planning Commission) on the draft EFC Memorandum on the restructuring of district component of BRGF Programme have been received and accordingly, the EFC Memorandum has been finalized. However, D/o Expenditure has made some more observations regarding the proposed restructuring which are being looked into. The same will be addressed and conveyed to the D/Expenditure after obtaining approval of the Hon'ble Minister.”

1.39 On the request of the Ministry of Panchayati Raj, a World Bank Mission evaluated the implementation of BRGF in eight States of the country in 2009. The Mission in its Report has noted that the BRGF has stimulated a process PRI/ULB strengthening, particularly in poor States and districts, and laid the foundation for achieving several of its objectives.

1.40 Report of the World Bank was referred to the State Governments for taking necessary corrective action. The recommendations contained in the Report of the World Bank were also examined in the Ministry and the actions taken by MoPR are as under:

- (a) The allocation of district component under BRGF has been enhanced from Rs.21,623.00 crores (actual expenditure) under the 11th Five Year Plan (2007-12) to Rs.29,306.00 crores (outlay) under the 12th Five Year Plan (2012-17).

- (b) To ensure strong targeting of funds towards the vulnerable areas and groups, particularly the SCs/STs, allocation criteria has been revised with effect from 2011-12, whereby the funds are 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.
- (d) To ensure the effective implementation of BRGF Programme, MoPR has recommended to the Planning Commission that Block may be made as an implementing unit instead of District, specially in the proposed restructuring of the existing BRGF Programme.

B. Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)

1.41 The erstwhile schemes of the Ministry of Panchayati Raj viz. Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA), Rashtriya Gram Swaraj Yojana (RGSY) and e-Panchayat were subsumed in the scheme of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) with effect from 2013-14. RGPSA is a demand driven scheme which primarily aims at strengthening the Panchayati Raj institutions across the country. The Central Steering Committee (CSC) headed by the Union Minister, Panchayati Raj provides overall policy directions and monitors the progress of the Scheme.

(i) Funding Pattern

1.42 The funding pattern of the scheme is 75:25 by Central and State Government except for North Eastern States where it is 90:10.

(ii) Fund release mechanism

1.43 Under RGPSA, funds are accessed by States as per need based and context specific plans prepared by them to strengthen their Panchayati Raj systems. States prepare perspective plans (for the Twelfth Plan period) and annual plans, and these are approved by the Central Executive Committee (CEC) RGPSA, chaired by Union Secretary Panchayati Raj. Before State plans are approved by the CEC, they have to be approved by a State Executive Committee at the State level. In most States, the State Executive Committee is chaired by

the Chief Secretary, which ensures that issues related to Panchayati Raj are discussed with line departments, whose cooperation is necessary to promote devolution of powers as well as funds and functionaries to Panchayats.

1.44 Under RGPSA, States are required to fulfil some essential conditions for accessing any funds. These are:

- (i) Regular elections to Panchayats or local bodies in non-Part IX areas, under the superintendence and control of the State Election Commission (SEC).
- (ii) At least one third reservation for women in Panchayats or other local bodies.
- (iii) Constitution of SFC every five years and placement of Action Taken Report on the recommendations of the SFC in the State Legislature
- (iv) Constitution of District Planning Committees (DPCs) in all districts, and issuing of guidelines/rules to make these functional.

(iii) Regular Panchayat Elections

1.45 Regarding holding of regular Panchayat elections under State Election Commission (SEC), the Ministry in a written note stated as under:

“As per information available, the Panchayat elections have been held regularly in the States of Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, J&K, Jharkhand, Karnataka, Kerala, M.P, Maharashtra, Manipur, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal. However due to unavoidable circumstances such as court cases sometimes the Panchayat elections may have been delayed.”

1.46 Regarding Constitution of State Finance Commissions (SFCs) every five years, the Ministry in a written note stated as under:

“As per information available, the States that have constituted SFCs are Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Uttar Pradesh and West Bengal. The SFC constitution is under process in Jharkhand as intimated by the State. “

1.47 The Ministry also informed that District Planning Committees (DPCs) have been constituted in all States covered under Part IX of the Constitution.

(iv) Activities under RGPSA

1.48 Activities under the scheme include:

- (i) Technical & Administrative support
- (ii) Construction and repair of Gram Panchayat buildings
- (iii) Capacity Building & Training
- (iv) Institutional Structure at State/ District and Block level
- (v) E-enablement of Panchayats
- (vi) Panchayat Processes for Panchayats with inadequate resource base
- (vii) Special support for Panchayats in PESA areas
- (viii) Strengthening of State Election Commission (SEC)
- (ix) Supportive activities for Programme Management.

(v) Financial Performance

1.49 The financial targets and achievements under RGPSA are given below:-

(Rs. in crore)

Year	Fund allocation and utilization			
	BE	RE	Actual exp.	%age to RE(Col.3)
2012-13	50.00	50.00	42.92	85.84
2013-14	655.00	655.00	629.58	96.61
2014-15	1050.00	-	294.01 (as on 23.9.2014)	-

1.50 During the year 2012-13 a provision of Rs. 50.00 crore was available for the scheme against which financial assistance to a few States were provided to the tune of Rs. 43.00 crore approximately for certain identified activities. The scheme, in fact, came into implementation in full swing from the financial year 2013-14 during which Annual Plans of 26 States/UTs were considered by the CEC. Besides, certain activities under Central component of the scheme were also undertaken and against the total Plan allocation of Rs. 655.00 crore expenditure incurred was to the tune of Rs. 629.58 crore respectively. The scheme is beginning to pick up and the performance of the States during the year 2013-14 has been got assessed through independent experts with reference to the progress of States on the performance of parameters.

1.51 The Ministry in their Annual Report have stated that the Planning Commission has provided a Gross Budgetary support of Rs. 6437.00 crore for the Twelfth Plan Period, which is mainly proposed to be spent on RGPSA. The Committee enquired as to how the

ministry proposed to utilize the total funds allocated under the Twelfth Plan when the total allocations and expenditure by the third year of the Plan period is less than 20% of the total allocation, the Ministry in a written reply stated as under:

“The plan allocation for RGPSA for 12th Plan Period was increased from Rs.6437 crore to Rs. 11270 crore as the Ministry of Rural Development agreed to transfer 1% of the funds from MGNREGA to RGPSA. This is the 2nd year of implementation of scheme. Among the major items of expenditure are the positioning of personnel at the gram panchayat level (under the Administrative and technical support to States), the construction and repair of gram panchayat bhavans, and the support for creation of new training infrastructure and human resource for training. As these items require further internal sanctions and tendering, selection processes by the State governments, and setting up of Programme Management Units to carry the scheme forward. The take off of the scheme will be comparatively slow until the systems of administration of the scheme are institutionalised. The States/UTs are beginning to realise the importance of the scheme in assisting them financially and technically with their identified activities for strengthening their Panchayati Raj system. With the progress of the scheme, when more Administrative and Technical manpower in GPs in position, more institutional structure for training coming up and increase in availability of faculty and resource persons for training, not only will expenditure under these components effectively improve, but the CB&T component would be able to absorb more trainings and capacity building over time due to increased institutional capability. The revised National Capability Building Framework (NCBF), for all round improvement in CB&T has been shared with the States. Modules on panchayat specific topics have also been provided to them. It has been impressed upon them to nurture effective and need based institutional structure for the CB&T of Elected Representatives and Panchayat Functionaries. With the launching of Swachh Bharat Abhiyan 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 GP Ghars, and sanitation related CB&T of ERs and functionaries of Panchayats. Besides, the States would have to be provided the financial assistance for engaging Technical & Administrative staff in Panchayats. All these factors would progressively escalate the demand for budgetary provision.”

1.52 On the issue of requirement of thorough examination of the administration of Panchayats including the recruitment and remuneration of accountants, data entry operators, engineers, etc by the Ministry. In this regard, the Secretary, Ministry of Panchayati Raj replied during evidence as under:-

“...Most of the staff is to be recruited by the state governments as per their recruitment rules and as per their own norms and procedures. For example, we had issued sanction for 55753 accountants and data entry operators in 2013-14 and another 13377. So, we are not saying that we have posted these people. These are, in fact, sanctions which have been issued by us to the States with supporting grants. Now it is upto the state governments to recruit all these persons and position them at various tiers of panchayati raj system to make them effective. At the most, we can make the request and give them help and all the support which we have been giving.”

1.53 During evidence the Committee, while enquiring about the constitution and functions of the District Planning Committees, emphasized the need for inclusion of MPs and MLAs as members in the DPCs for better planning, coordination and supervision of the concerned districts. During evidence, the Secretary, Ministry of Panchayati Raj stated as under:-

“Sir, 80% (4/5) of the persons in the District Planning Committees should be elected. In the remaining 20% who are nominated /appointed, there is scope for the Hon’ble MPs and MLAs to come. But it is upto the state governments as this is implemented by the state government. Legally they can be included provided State Government nominates them...”

(vi) Incentivisation of States/UTs

1.54 Incentivisation of States/UTs is a component of the RGPSA scheme which aims to encourage States to empower PRIs adequately and to put in place PRI accountability. States of Karnataka, Kerala, Tamil Nadu, Gujarat, Rajasthan, Uttar Pradesh, Arunachal Pradesh, Assam, Odisha, Chhattisgarh, West Bengal, Sikkim, Himachal Pradesh, Haryana, Uttarakhand, Maharashtra, Punjab, Tripura, Jammu & Kashmir, Bihar, Jharkhand and Madhya Pradesh have participated in the scheme in 2013-14.

1.55 Asked about the criteria for incentivisation of Panchayats, the Ministry in a written reply stated as under:

“A set of model indicators, questionnaire and marking scheme to be adopted appropriately by the States/UTs in their context, for assessing PRIs have been developed by MoPR in consultation with States. These indicators would be improved over time on the basis of feedback and operationalisation of the scheme.

As per Article 243G of the Constitution, the devolution of powers and functions to PRIs vests with States. Consequently, States vary in the extent to which they have empowered PRIs. As the extent of devolution of powers varies from State to State, the assessment of PRIs needs to be State specific. Panchayats in a State that has devolved many powers, cannot be compared with Panchayats in a State that has not. However, as Panchayats in a particular State function within the same policy framework, they are broadly comparable as to performance and accountability. The system of Panchayat assessment, therefore, has to take into account the State specific situation. On the basis of the model indicators, questionnaire & marking scheme developed by MoPR, States will devise their own context specific version, in which MoPR will provide such support as may be required.”

1.56 Regarding incentives provided to States under the Scheme during the year 2013-14, the Ministry have stated that 22 States i.e Uttar Pradesh, Chhattisgarh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, West Bengal, Himachal Pradesh, Uttarakhand, Bihar, Jharkhand, Arunachal Pradesh,

Assam, Sikkim, J&K and Tripura have participated to select the best performing Panchayats for 2013-14 and an amount of Rs. 37.80 crore has been released as incentive grant to 194 best performing Panchayats in these States during 2013-14.

1.57 On being asked the measures taken to encourage States to participate in the scheme, the Ministry in a written reply stated as under:

“Steps taken to encourage States to participate in the scheme include periodical meetings with State Panchayati Raj Officers, Workshops, Programme review meetings on RGPSA and review meetings with States on the outcome of the incentivization scheme of the preceding year and preparation for the succeeding year.”

(vii) E-Panchayat

1.58 **e-Panchayat** has been identified as one of the Mission Mode Projects (MMPs) under National e-Governance Programme (NeGP). 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. (Outcome budget) 10 Common Core Applications have been developed. 8 Applications are in use by States/UTs.(presentation) During 2013-14, 12506 computers were procured at the Gram Panchayat level in 10 States.

1.59 On being asked whether power shortage in rural areas is a constraint in the working of e-governance in Panchayats, the Ministry in a written reply stated that the overall shortage of power in the country especially in rural areas poses a challenge as many Panchayats are not able to update their data on the web-based Software Applications on a daily basis.

1.60 Regarding the steps taken or proposed to be taken to overcome the problem of shortage of power supply, the Committee in a written reply stated as under:

“To overcome the problem of shortage of power supply, many Gram Panchayats enter data in nearby Gram/Block/Zilla Panchayats. In areas where the power supply is erratic or the Panchayats are not electrified, the States have been advised to use Desktops with Uninterrupted Power Supply (UPS) having 6-8 hours backup, laptops with extra batteries and also to consider providing solar photo-voltaic power packs by availing Government of India’s subsidy/funds from different schemes of GOI/States. Furthermore, under the RGPSA scheme, MoPR has now decided to support purchase of laptops for Panchayats to overcome these challenges.”

(viii) Strengthening of Panchayati Raj Institutions (PRIs)

1.61 The Committee enquired whether there is any mechanism to strengthen the PRIs, the Ministry in a written reply stated as under:

“The Ministry has its schemes to help states tide over the constraints in terms of man power infrastructure, CB&T and institutional support. A Centrally Sponsored Scheme of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) has been launched during 2013-14 to strengthen the PRIs across States. The financial assistance provided under the scheme to the States/UTs is for technical & administrative support at GP level, Construction of Gram Panchayat Ghars, Capacity Building & Training, Institutional Structure, e-enablement of Panchayats etc. under BRGF also, there is a component to strengthen PRIs.”

1.62 When asked whether the Ministry had reviewed/assessed the performance of PRIs in the country, the Ministry in a written reply stated as under:

“The Panchayat Empowerment & Accountability Incentive Scheme (PEAIS), a Central Sector Plan Scheme of the Ministry of Panchayati Raj (MoPR) which has since been subsumed in the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) since 2013-14 aimed at this besides (a) encouraging States to adequately empower Panchayats or Panchayati Raj Institutions (PRIs) and (b) put in place systems for bringing about accountability of the PRIs. To encourage States to empower Panchayats, performance of States is measured through a Devolution Index (DI) prepared by an independent national level agency and token awards are given to the States which rank high on DI. For the achievement of objective (b) above, awards are given to best performing Panchayats. The annual provision for both these activities was Rs. 55 crore in the 2013-14; Rs. 15 crore for activity (a) and Rs. 40 crore for activity (b) above. It has often been observed that the more effectively the Panchayats are endowed with powers and authority, the more effective is the role elected representatives of PRIs play. Effective devolution is so uneven and inadequate that even the ablest of the elected representatives are crippled for want of proper allocation of functions, finances and functionaries. Assessment shows that the Panchayats do not have adequate technical and administrative manpower to carry out the functions assigned to them. The Panchayat also do not have proper office space. The capacity building and training of elected representatives and functionaries are not upto mark due to weak training strategy of the States coupled with poor training infrastructural facilities. The Gram Sabhas have also not been able to function effectively as the basic forum of people’s participation, transparency and accountability.”

1.63 The Committee also enquired whether any study is being conducted to review and assess the performance of PRIs, the Ministry in a written reply stated as under:

“Yes, three studies have been undertaken by the Ministry during the last two years. Details are as under:

S. No.	Year	Title of the Study	Study Sanctioned too	No. of States / UTs covered under the study	Status
1	2012-13	Study on Panchayat Strengthening Index under PEAIS and to support the proposed scheme on Rajiv Gandhi Panchayat Sashaktikaran Abhiyan.	M/s. Indian Institute of Public Administration (IIPA), New Delhi	24 States / 4 UTs	Report Published
2	2013-14	Study on Panchayat Strengthening Index for the year 2013-14 under the scheme on Rajiv Gandhi Panchayat Sashaktikaran Abhiyan	M/s. Indian Institute of Public Administration (IIPA), New Delhi	25 States / 4 UTs	Report under printing
3	2013-14	To Assess the Actual Status of Devolution to the PRIs	Sanctioned to ten agencies.	25 States / 5 UTs	Study in progress

1.64 Asked about the efforts made by the Ministry to overcome the issues regarding limited devolution of powers and inadequate resources in terms of manpower, funds, infrastructure and institutional support to Panchayats, the Ministry in a written reply stated as under:

“Though ‘Panchayats’ is a State subject and the devolution of powers and authority to Panchayats has been left to the discretion of States and the profile of devolution varies across the States, the Ministry has been making sincere & sustained efforts and supporting the States to overcome these constraints.

The Ministry encourages States to devolve powers (Functions, Functionaries and Finances i.e. 3Fs) to Panchayati Raj Institutions (PRIs). MoPR is providing assistance to States for capacity building of Panchayats to enable them to perform devolved

functions effectively and efficiently and incentivizes States for devolution of powers to Panchayats by awarding best performing Panchayats in each State.

The priority issue before the Ministry of Panchayati Raj has been to take the States towards meaningful devolution of 3Fs to the PRIs for which it has been, inter-alia, pursuing preparation and notification of detailed Activity Mapping by the States and opening of Panchayat windows in the State Budget. The Ministry has issued clear guidelines regarding Activity Mapping as per its circular dated 1st December, 2009. In workshops and meetings to discuss plans for the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), States are urged to devolve powers as per activity mapping. Until now, the States of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Rajasthan, Sikkim, Tamil Nadu, Tripura and West Bengal have reported about opening of Panchayat windows in the State Budget. Under Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), MoPR does not provide funds to those States who do not fulfill the mandatory criteria of the Constitution. MoPR links 20% funds to the performance of States with respect to devolution of powers to Panchayats, creation of an enabling policy framework and enhancement of transparency and accountability. With this new scheme design, MoPR will be able to exercise greater influence on States to delegate powers to Panchayats as per the Constitutional intent.”

1.65 During the course of evidence, the Secretary, Ministry of Panchayati Raj elaborated further:

“Sir, the actually the problem arises from the fact that most of the States are supposed to do devolution of three “Fs” – funds, functionaries and functions. Since most of the States have not done any activity mapping in the real sense of the term, if activity mapping is done by all the States at all the three tiers of the Government and funds, functionaries and functions are brought under the three tiers of the system at different levels, most of these problems will not arise. Since the States have not effectively done devolution of three “Fs” at the three tiers of different levels, our Panchayats are not strengthened. Those States which have done activity mapping and devolved functions, they have devolved function only on paper but in the real sense of the term. So, this is one of the basic things.

Now the Ministry of Panchayati Raj is the nodal Ministry and it has been issuing a lot of advisories. We have been advising States and have been issuing circulars that they must do devolution of powers to the PRI and unless that is done, the fundamental problem will remain. For this, as we have tried to explain, we have instituted incentive schemes. We award the States which make advancement towards devolution. Every year we award them and we try to encourage States.”

1.66 Regarding complaints of rampant corruption at Gram Panchayat level, the Committee asked whether there is any monitoring mechanism to ensure that funds released actually reach Panchayats:

“In so far as RGPSA is concerned, funds are released to the State Governments. So far no specific complaints about misuse of funds released to States have been received by Ministry. An online Management Information System (MIS) has been developed for the scheme which is currently undergoing trials for roll out. This will enable monitoring of the specific deliverables, including whether funds intended for panchayats (like the support to low resource panchayats) under the scheme have actually reached the concerned panchayats. States have also been requested to provide feedback for amplification of MIS from time to time.”

C. Media and Publicity

1.67 The Central Sector Plan Scheme titled ‘Media and Publicity’ was approved in 2007-08 with the objective for dissemination of information through the print and electronic media regarding PRIs and their role and responsibility in various government schemes.

(i) Funding Pattern

1.68 The scheme is funded 100% by the Government of India.

(ii) Components

1.69 The components of the schemes are electronic and print media, community radio, newsletter, outdoor publicity, news features and advertorials in Government sponsored publications/journals and other Government sponsored activities. Against the allocation of Rs. 15 crores for 2013-14, Rs. 14.42 crore has been utilized. Allocation for 2014-15 is Rs. 20 crore.

1.70 Asked about the broad areas under which funds are utilized under the Scheme, the Ministry in a written reply stated as under:

“The broad areas under which funds are allocated is as follows:

Sl.No.	Media activity/ Broad areas	Expenditure during 2013-14	Allocation for 2014-15
(I)	PRINT PUBLICITY	Rs. 1.97 crore.	Rs.2.50 crore.
	1.Print Advertisements through DAVP	Rs 1.00 crore.	1.00 crore.
	2. Innovative Proposals News features and advertorials in Government sponsored publications/journals and other Government sponsored activities	Rs 6.40 lakhs.	Rs 6.00 lakhs.
(II)	MEDIA AND PUBLICITY THROUGH ELECTRONIC MEDIUMS		

	(AUDIO/VISUAL) RADIO AND TELEVISION		
	a. All India Radio	Rs 0.94 crore.	Rs 2.00 crore
	b. Community Radio :	Rs.0.50 crore.	
	c. Doordarshan	Rs 6.40 crore.out of which Rs 3.50 Crore was released in 2013-14	
	d. LOK SABHA TELEVISION (LSTV)	1.00 crore.	
	e. Mass Media Campaigns on Pvt TV channels, Radio FM channels through DAVP	Rs 2.50 crore. each campaign	Rs 10.00 crore.
(III)	Outdoor Publicity	Rs 0.25 lakhs	0.25 lakhs
(IV)	Production of training films through the empanelled audio/visual agency of the Ministry.	Rs 0.50 lakhs	Rs 1.00 crore.
(V)	Organising workshops and seminars	Rs 0.45 lakhs	
(VI)	Annual Rashtriya Gaurav Gram Sabha Puraskaar	Rs. 1.80 crore.	Rs 2.00 crore.

1.71 The Committee desired to know as to how media and publicity campaigns are monitored since it is alleged that a lot of corrupt practices are involved in the process to which the Ministry in a written reply stated as under:

- “(i) Almost all the campaign activities are done through Doordarshan, All India Radio, Lok Sabha TV and also through DAVP. Dissemination of information is done through community Radios which are empanelled by the Ministry of I&B. Producing of films and printing of materials through the reputed private agencies which were selected through the tendering process by adhering to GFR.
- (ii) MoPR also conducts monitoring and impact studies. Feedback from the target audience are collected by the respective agencies and reports thereon are submitted to MoPR.
- (iii) MoPR has also opened official page on the social media platform for receiving feedback from the various stakeholders.”

1.72 During evidence, the Committee desired to know the use of publications like ‘Geography and You’ magazine in English, and ‘Bhoogol aur aap’ in Hindi, a representative of the Ministry replied as under:

“Sir, last year, the magazine was published on women’s empowerment and their role in Panchayats. Actually, the magazine published it, and we sponsored that magazine to publish those articles. This magazine goes to schools, colleges and other libraries. It is a priced publication, and it is not free. We only sponsored Rs. 6 lakh as sponsorship programme, and they now distribute it in different libraries / schools so that students also know about the role of Government in Panchayats. We can also circulate that magazine to you.”

D. Action Research and Research Studies Scheme

1.73 A central sector plan scheme implemented from 2007-08. It is a tool for better policy formation. 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. Action Research proposals that provide an in-depth analysis for long-term issues, assess impacts and document experiences in Panchayati Raj are supported under this scheme.

(i) Funding Pattern

1.74 This scheme is funded 100% by the Government.

(ii) Financial and Physical Performance

1.75 The allocation for the year 2013-14 (R.E) was Rs. 3 crore out of which the actual expenditure was Rs. 3 crore. The allocation (B.E) for the year 2014-15 is Rs. 3 crore. During 2013-14, out of 4 studies sanctioned, only 1 was completed and 3 are still underway.

Regarding the number of projects sanctioned so far since the inception of the scheme in 2007-08, the Ministry provided the following information:

“Under the scheme 64 study projects have been sanctioned till date. Year wise breakup is as under:

S. No.	Year	No. of Studies Sanctioned
1.	2007-08	15
2.	2008-09	10
3.	2009-10	18
4.	2010-11	7
5.	2011-12	5
6.	2012-13	5
7.	2013-14	4
TOTAL		64

1.76 Asked about the details regarding release of funds under the Scheme, the Ministry in a written reply stated as under:

“Funds under the scheme are released in three installments in the ratio 50:30:20, for the study projects approved by the Research Advisory Committee:

- The first installment of 50% of the approved cost is released after the organization submits:
 - A bond in the prescribed format;
 - Details of the design of the study, methodology and project team, time lines of various stages of the study. A presentation on the same may be, if required.
- The second installment of 30% of the approved cost will be released on:
 - Completion of fieldwork if any, submission of first draft report and a presentation by the organization on the study, if required;
 - Furnishing of a certificate, verified by a chartered accountant, of utilization of more than 80% of the funds released;
 - An item-wise Statement of Accounts.
- The third (final) installment of 20% of the approved cost will be released on:
 - Acceptance of the final report by MoPR;
 - Provision of certificate of utilization of the funds sanctioned, verified by a chartered accountant;
 - Submission of statement of Account indicating the actual expenditure incurred;
 - Submission of 10 copies of the final report along with the soft copy on a C.D.”

1.77 The Committee further enquired about the reasons for non-completion of sanctioned research studies on time and whether time-limits have been imposed for completion of research studies. The Ministry in a written reply stated as under:

“The reasons for the non-completion of large number of sanctioned research studies during the previous years was since for most of the studies sanctioned the pace was much slower than anticipated. The nature of the study being complex, and data collection being difficult, the organizations had taken in-between extension of time for the completion of the study.

The Ministry imposes a timeline for the completion of research studies and if the organization is unable to complete the project on time, the Ministry reserves the right to penalize and financially deduct 5% of the approved funds on monthly basis beyond the allotted time while releasing the third and final installment, provided the delay is not justifiable.”

E. Monitoring mechanism and Nodal Officer

1.78 The Committee enquired about the system of conducting physical verification of the execution of infrastructure work and utilization of funds. To this, the Ministry in a written reply stated as under:

“The Ministry has been holding review meetings and video conferences to monitor utilization and support States in taking the programme forward. Many activities have been instituted under the NCBF to improve capacity building interventions. States are being provided with PMUs to improve implementation. The support of ICT measures like on line MIS are also being developed so as to be able to enable real time tracking of implementation.”

1.79 During evidence, the Committee desired to know whether there is any system of physical visits by the Ministry officials after release of funds so as to monitor the progress of the work and optimum utilization of funds. The Secretary, Ministry of Panchayati Raj replied as under:

“Moderators etc. keep visiting and progress reports are regularly received from the State Governments, there is feedback also but I agree with the Committee that the monitoring system needs to be strengthened.”

1.80 During evidence, the Committee emphasized the need for an effective monitoring mechanism by appointment of a Nodal Officer of the central government at the District Level for physical verification and appropriate utilization of funds to ensure effective implementation of various programmes and coordinate with the state governments and directly report the developments to the central government.

PART II

OBSERVATIONS/RECOMMENDATIONS

2.1 The Committee take note that the Rule 331G of the Rules of Procedure and Conduct of Business in Lok Sabha relating to examination of Demands for Grants by the Departmentally Related Standing Committees (DRSCs) was suspended by the Hon'ble Speaker, Lok Sabha to enable the House to pass the Demands for Grants for the year 2014-15 without the same being referred to the concerned DRSCs. Hon'ble Speaker, Lok Sabha, however, made observations in the House on 15th and 21st July, 2014 that the Demands would however stand referred to the Standing Committees for examination and report to the House so that the Committees can make suitable recommendations which may be used in the preparation of Demands for Grants for the next year. The Committee have accordingly examined the Demands for Grants of the Ministry of Panchayati Raj. Since the Budget for the year 2014-15 has already been passed by the Parliament, the Committee endorse the same. Nevertheless, the Committee feel that the suggestions and recommendations of the Committee in this Report would help the Ministry of Panchayati Raj in analyzing their physical and financial performances and implementation of various schemes and projects during the current year and also in preparing the Demands for Grants for the next financial year. The observations and recommendations of the committee are given in the succeeding paragraphs.

Demands for Grants for 2014-15

2.2 The Ministry of Panchayati Raj came into existence on 27th 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.

(Recommendation Sl. No. 1, Para No. 2.2)

Allocation of funds

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 proactive 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.

(Recommendation SI. No. 2, Para No. 2.3)

Twelfth Five Year Plan

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.

(Recommendation Sl. No. 3, Para No. 2.4)

Unspent Balances and Outstanding Utilization Certificates

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 atleast 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.

(Recommendation Sl. No. 4, Para No. 2.5)

Backward Regions Grant Fund (BRGF)

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.

(Recommendation Sl. No. 5, Para No. 2.6)

Restructuring of BRGF

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.

(Recommendation SI. No. 6, Para No. 2.7)

Rajiv Gandhi Panchayat Sashaktikaran Abhiyan

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, e-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 12th 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 12th Plan. The Committee, therefore, desire that the various programmes under RGPSA be redesigned in such a manner that the allocations for the scheme in 12th 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.

(Recommendation Sl. No. 7, Para No. 2.8)

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.

(Recommendation SI. No. 8, Para No. 2.9)

Regular Panchayat Elections

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.

(Recommendation Sl. No.9, Para No. 2.10)

Constitution of District Planning Committees

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.

(Recommendation Sl. No.10, Para No. 2.11)

Incentivisation of States/UTs

2.12 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.

(Recommendation Sl. No. 11, Para No. 2.12)

e-Panchayats

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.

(Recommendation Sl. No. 12, Para No. 2.13)

Assessment of performance of Panchayati Raj Institutions

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.

(Recommendation Sl. No. 13, Para No. 2.14)

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.

(Recommendation Sl. No. 14, Para No. 2.15)

Media and Publicity

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.

(Recommendation Sl. No. 15, Para No. 2.16)

Action Research and Research Studies

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.

(Recommendation Sl. No. 16, Para No. 2.17)

Monitoring mechanism and Nodal Officer

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.

(Recommendation Sl. No. 17, Para No. 2.18)

**NEW DELHI;
December, 2014
Agrahayana, 1936 (Saka)**

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

ELEVENTH SCHEDULE
(Article 243G)

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.

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 on the basis of activity mapping done by Departments concerned.	639 functionaries of various departments have been transferred to the PRIs.
2.	Andhra Pradesh	<p>1. Zilla and Mandal Panchayats are not empowered to collect taxes. Gram Panchayats (GP) collect taxes such as house, lighting and water tax. GPs also collect a variety of duties and fees and generate revenues through auctions and lease rentals.</p> <p>2. Governments Orders (GOs) issued for devolving funds in 10 departments. 75-80% funds devolved to PRIs are tied. Apart from establishment expenses, PRIs receive grants under TFC, SFC, BRGF and a per capita grant.</p>	<p>Under the State PR Act 23 matters have been transferred to Mandal Panchayats, 21 to GPs and 1 to Zilla Panchayats (ZPs).</p> <p>10 line departments namely, Agriculture, Animal Husbandry, Fisheries, Rural Development, RWS, School Education, Health & Family Welfare and Women Development, Child Welfare have devolved certain powers to PRIs on the basis of activity</p>	Functionaries are under the administrative control of their respective line departments but they are partially accountable to PRIs in respect of the devolved functions.

			mapping.	
3.	Arunachal Pradesh	<p>1. PRIs do not collect taxes.</p> <p>2. Transfer of funds by departments has not taken place. The SFC had identified various departments for devolution of funds but a decision has not yet been taken.</p>	<p>29 subjects as per Eleventh Schedule and indicated in the activity mapping, have been devolved. GOs covering 20 departments have been issued, but not yet implemented.</p> <p>PRIs can exercise the powers of supervision and monitoring the implementation of plans in respect of all subjects coming under their respective jurisdiction.</p>	Functionaries have not been transferred.
4.	Assam	<p>1. Though the Assam Panchayat Act 1994 empowers PRIs to collect taxes, such as tax on trade, entertainment, markets, fisheries etc and duties, cess etc the main source of revenue for all PRIs is lease rent from markets, river banks and ponds. PRIs cannot enforce tax collection, which remains poor.</p> <p>2. PRIs receive funds under NREGS, BRGF, IAY, TFC and DDP.</p>	All 29 functions have been devolved through legislation. The activity-mapping document has been prepared covering 23 subjects and 17 departments. But GOs have been issued only for 7 subjects out of 23 by 6 departments.	There has been very minimal devolution of functionaries in a few subjects. Officials continue to report to departments.
5.	Bihar	1. No taxes are collected by PRIs but a proposal	29 subjects as per Eleventh Schedule	Departmental staff answer to

		<p>regarding the same is under consideration of State Government.</p> <p>2. Funds under TFC, BRGF and NREGS are allotted to PRIs. Apart from these 3 schemes, PRIs do not receive funds under any of the Centrally and State sponsored schemes.</p>	<p>have been devolved as per the Act. Activity mapping has been conducted by 20 line deptts. and GOs issued. PRIs play an important role in rural development & social welfare programmes, education, health and relief.</p>	<p>departments. Angadwadi workers, teachers are health workers are appointed by PRIs.</p>
6.	Chattisgarh	<p>1. The GP is authorized to collect various types of taxes, including house tax, business tax, livestock registration tax etc.</p> <p>2. Funds for 12 departments have been devolved.</p>	<p>Activity Mapping of 27 matters has been undertaken.</p>	<p>Panchayat make recruitments for 9 departments.</p>
7.	Goa	<p>1. Panchayats levy 11 types of taxes and also have non-tax sources of revenue. Matching grants are given by State Govt. on the basis of tax collection in previous year.</p> <p>2. Untied funds are given to Panchayats through the Panchayati Raj Deptt. as well as specific purpose grants such as grant in aid to financially weak PRIs for strengthening rural administration, infrastructure and departmental grants.</p>	<p>Goa Panchayati Raj Act empowers Panchayats with respect to 29 subjects. A detailed activity mapping exercise has been conducted by the Second SFC and a report has been submitted and is under consideration of the State Government. At present, 18 matters are devolved to GPs,</p>	<p>PRIs have their own core staff for the execution of works. At the GP level a secretary has been appointed and GPs have also employed own staff such as clerks and peons. The services of Executive, Assistant and Junior Engineers have been placed at the disposal of ZPs.</p>

			while 6 are devolved to ZPs.	
8.	Gujarat	<p>1. 8 major taxes are collected by PRIs, which form an important source of 'own funds'.</p> <p>2. In 2008-09, 13 departments allocated funds to PRIs.</p>	14 functions have been completely devolved and 5 are partially devolved following the process of activity mapping.	Panchayats have power of appointment, transfer, and promotion etc. of all class III and class IV staff. GOs have been issued for devolution of functionaries for 14 functions.
9.	Haryana	<p>1. GPs generate revenue from lease amount from auctioning of Panchayat land, liquor cess collected on behalf of Panchayats and rental of Panchayat premises to other deptts.</p> <p>2. The 12th FC grant is made available to PRIs and some project specific grants are given to PRIs.</p>	<p>Panchayati Raj Act devolves functions of all 29 subjects listed in 11th Schedule. Activity Mapping completed in 2006. Follow up GOs have been issued for 10 deptts namely Food & Civil Supplies; Health; Water Supply & Sanitation; Social Justice & Empowerment; Irrigation; Animal Husbandry; Women & Child Development; Agriculture and; Forest. Five departments have also issued instructions to implement these GOs.</p>	There is no significant devolution of functionaries.

10.	Himachal Pradesh	<p>1. Only the GP is empowered to levy taxes such as house tax, tax on shops, mills etc. GPs also levy service charges. Land revenue is transferred by the State Government to the GPs. A portion of the tax on liquor as well as telecommunication towers is also transferred to GPs.</p> <p>2. Funds have not been transferred for any of the 29 subjects. PRIs mainly receive TFC grants and MGNREGS funds.</p> <p>3. Transfer of funds and opening of separate Panchayat Window is under consideration.</p>	<p>1. Activity Mapping of all 29 subjects has been completed and notified.</p> <p>2. Functions in respect to all 29 subjects listed under 11th Schedule have been devolved to PRIs. Powers devolved mainly pertains to supervision, monitoring, reporting, planning and issuing of contractual appointments.</p>	<p>The Panchayats of all 3 levels have been empowered to appoint functionaries of many categories on contract basis and pay their salary out of grant-in-aid provided by the State Government. However functionaries have not been transferred to PRIs.</p>
11.	J&K	<p>Elections completed in June, 2011. 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.</p>		
12.	Jharkhand	<p>Elections to PRIs were held in November-December 2010 for the first time since 73rd CAA came into force. Three departments, namely, Agriculture, Social</p>		

		Welfare and Primary Education have recently devolved functions to PRIs by Departmental Notification. Activity Mapping has not been done so far.		
13.	Karnataka	<ol style="list-style-type: none"> 1. PRIs (GP) collect 7 types of taxes and also collect fees for various activities. No provision created for collection of taxes/fees by ZPs and TPs. 2. Panchayati Raj legislation provides the mandatory transfer for untied funds to PRIs. The Government transfers an untied grant of Rs. 8-10 lakhs to GPs, Rs. 1.00 crore to TPs and Rs.2.00 crore to ZPs. At the ZP level, funds have been devolved for 29 functions, at the Taluk Panchayat level for 28 functions and at the GP level for 31 functions. 3. A separate Panchayat window has been created known as District Sector in the State Budget. In the District Sector Scheme Budget provisions are made 	Karnataka has delegated all 29 subjects to PRI by issuing Activity Mapping Notification dated 12.8.2003. The activity mapping positions Zilla and Taluka Panchayats as planners and faciliators and owners of common executive machinery, GPs as local service providers and Gram and Ward Sabhas as instruments of down ward accountability.	All Panchayat posts barring those at the lower level are filled through deputation of Govt. employees who function under dual control of the Deptt. and the PRIs.

		<p>every year and is being released to PRIs i.e. ZP and TP.</p> <p>4. Devolution of funds to the PRIs is based on the 3rd SFC recommendation, i.e., 42% Non Loan Net Own Revenue Receipts (NLNORR of the State). Out of 42%, 32% of NLNORR has been assigned to PRIs.</p>		
14.	Kerala	<p>1. GPs have their own tax domain of 9 types of taxes and several non-tax revenue sources. Block and Zilla Panchayats do not levy taxes.</p> <p>2. Untied funds devolved to Panchayats for development purposes to be used as per local prioritization. In addition, funds are transferred for specific purposes by deptts.</p>	Detailed activity mapping for all 29 functions has been conducted and activities have been devolved to Panchayats.	Functionaries have been transferred to PRIs, which have full managerial and part disciplinary control over them.
15.	Madhya Pradesh	<p>1. Village Panchayats are empowered to collect taxes such as property tax, mela tax, as well as generate non-tax income from sources such as temporary lease of land, rights for fisheries in ponds etc. District Panchayat does not collect any taxes.</p> <p>2. Funds for 13 departments covering 19</p>	GOs containing the Activity Mapping in respect of 25 matters pertaining to 22 deptts. have been issued.	<p>1. Functionaries for 13 departments have been transferred to the PRIs.</p> <p>2. There is a State Panchayat Service.</p> <p>3. Panchayats are empowered to recruit own staff as well as grassroot workers</p>

		<p>matters are released to PRIs.</p> <p>3. There is a Panchayat Window in the budget of Departments.</p>		<p>such as teachers, AWWs, ASHA, Village level workers etc.</p>
16.	Maharashtra	<p>1. ZP and GP collect taxes. A percentage of taxes collected by the Revenue Department are passed on to the ZP.</p> <p>2. Grants for 11 departments are transferred to PRIs.</p>	<p>Legislation devolves 16 subjects to PRIs. 11 subjects have been devolved totally to PRIs. For 18 subjects, schemes are implemented by PRIs as implementation agencies from time to time. Activity mapping has been done in by Panchayati Raj Acts themselves.</p>	<p>Class III and Class IV employees at all levels are Zilla Parishad employees. Class I and Class II officers in Line Departments are State Government employees but their performance review is initiated at the ZP level.</p>
17.	Manipur	<p>PRIs receive 12th FC grants. State Finance Commission grants and BRGF grants. Additionally, Central and State Govts. allocate funds for implementation of NREGS, IAY and SGSY schemes.</p> <p>Five Departments have issued GOs transferring funds to PRIs. These are, i. RD & PR, ii. Fisheries, iii. Horticulture, iv. Tribal Development, v. Science & Technology.</p>	<p>The Panchayati Raj Act vests all 29 subjects with Panchayats. GOs have been issued devolving powers and functions related to 22 departments. Activity mapping was done in respect of 16 departments. Five of these departments have issued fresh executive orders devolving functions, funds</p>	<p>Five Departments have issued GOs transferring functionaries to PRIs. These are, i. RD & PR, ii. Fisheries, iii. Horticulture, iv. Tribal Development, v. Science & Technology.</p>

			and functionaries of five departments. These are, i. RD & PR, ii. Fisheries, iii. Horticulture, iv. Tribal Development, v. Science & Technology.	
18.	Orissa	<p>1. Panchayats collect 6 types of taxes and fees.</p> <p>2. Funds are provided for specific activities under NREGS, SGSY, IAY, scholarships, pensions etc covering 12 subjects. There is no clear devolution of untied funds.</p> <p>3. As per the recommendations of the 2nd SFC, the State Govt. have provided funds to the PRIs through K.Lgrants, Cess grants, Sairat Grant, Entertainment tax, MFP Grant, Incentive Grant for different development works.</p>	<p>11 departments have devolved 21 subjects. The functions devolved to PRIs are basically of monitoring.</p> <p>Activity Mapping of 20 subjects have been completed and executive instructions issued.</p>	<p>Officials of 11 departments are accountable to PRIs as per GOs issued. The PRI control over official is in the nature of calling for information, supervision etc.</p> <p>Instructions have been issued to different line Departments to identify field functionaries/ officials of their Department for creation of Gram Panchayat Cadre and District Panchayat Cadre.</p>
19.	Punjab	<p>1. The main source of income of village Panchayats is through auction of Panchayat land.</p> <p>2. There is no clear devolution of funds. Allocations are made by Line Departments for</p>	<p>The devolution plan in respect of 7 key departments relating to 13 subjects has been approved by the State Govt. wherein crucial village level</p>	<p>No functionaries have been transferred to PRI by line departments.</p>

		specific projects.	function of the same has been transferred to the PRIs. Notifications for six Departments have already been issued. Activity mapping has been done and is under the consideration of State Government for final approval.	
20.	Rajasthan	<p>1. Five Departments have issued GO transferring functions up to district level with funds to PRIs</p> <p>2. GO has been issued to allocate 10% of plan fund from 2011-12 onwards to PRIs as untied fund.</p> <p>2. GPs and Panchayat Samitis have own sources of revenue through taxes and the Zilla Panchayats earn revenues through fees etc, which PRIs are empowered to spend.</p> <p>3. Funds are provided to PRIs under schemes such as SGSY, NREGS, IAY, BRGF, TFC etc.</p>	<p>1. Five Departments viz. Elementary Education, Women & Child Development, Social Justice & Empowerment, Agriculture, Medical & Health have issued GO transferring all functions up to district level to PRIs.</p> <p>2. All departmental committees of above 5 departments have been merged into relevant standing committees of PRIs.</p> <p>3. DRDAs have been merged with the ZPs.</p> <p>4. Fresh Activity Mapping of above</p>	<p>1. 5 departments have issued GOs transferring all functionaries upto district level to PRIs. Panchayats have been made Immediate Cadre Controlling authority.</p> <p>2. Village level Standing Committees have been set up under the chairmanship of Sarpanch of GP to keep a watch on absence of grassroots functionaries.</p>

			5 Departments has been done.	
21.	Sikkim	<p>1. Panchayats do not collect taxes but levy a few user charges.</p> <p>2. Funds are being transferred by 17 departments. 10% of total fund of each department is given to Panchayats.</p> <p>3. Each Gram Panchayat and Zilla Panchayat receives an untied block grant of RS. 10 lakh & Rs.60 lakh respectively.</p>	<p>1. All 29 subjects are devolved as per legislation.</p> <p>2. Activity Mapping has been conducted for 20 subjects covering 16 departments.</p>	Village level employees have been put under the control of Gram Panchayats and District level employees under the control of district, but Panchayats exercise limited control over them.
22.	Tamil Nadu	<p>1. Only village Panchayats have the power to levy taxes. GPs and the intermediate Panchayats also have income from non-tax revenues and assigned and shared taxes. The only source of revenue of District Panchayat is from grants.</p> <p>2. Panchayats receive Central and SFC grants. The State Government has issued orders that 9% of the States own tax revenue will be devolved to Local Bodies, of which rural local bodies will receive 58% share.</p>	<p>Government of Tamil Nadu has delegated powers to the three tiers of Panchayats under 29 subjects to supervise, to assist and to monitor the works implemented in various Departments. Activity mapping has not been undertaken.</p>	There is no significant devolution of functionaries.
23.	Tripura	In Tripura, funds (PDF, 13 th FC Grant, MGNREGA etc.) are transferred to the PRIs directly through Bank	Most of the Government Departments are implementing their projects in	The services of the Panchayat Secretary/Village Secretary have been placed to

		<p>account. The 20% fund has been given to the Zilla Parishad, 30% to the Panchayat Samitis and 50% to the Gram Panchayats.</p> <p>At present the Panchayats are collecting Non-Tax Revenue. Recently the relevant rules namely the Tripura Panchayats (Taxes, Fees, Rates & Tolls) Rules, 2011 has been framed and introduced. In the said Rules the PRIs have been empowered to collect Tax.</p> <p>Part funds related to lift irrigation scheme of the PWD Department, primary schools and Social Welfare and Social Education department and pension funds have been transferred to the Panchayats. Untied funds (PDF) are also transferred to PRIs.</p>	<p>consultation with the PRI bodies through project selection, beneficiary selection, monitoring the progress of the project implementation etc.</p>	<p>the Gram Panchayat/Village Committees (The Tripura Tribal Areas Autonomous District Council) under different Blocks. Moreover, the services of the Part Time Pump Operator has also been placed with the Gram Panchayat/Village Committees (The Tripura Tribal Areas Autonomous District Council) so far engaged by the concerned Gram Panchayat/Village Committees (The Tripura Tribal Areas Autonomous District Council) for looking after the Irrigation Schemes.</p>
24.	Uttar Pradesh	<p>1. All 3 tiers have the power to collect taxes. But since the tax base is small, there is very limited financial planning independence with PRIs.</p> <p>2. Funds are received by Panchayats for NREGA, BRGF, SGSY, IAY mid-</p>	<p>16 subjects relating to 12 departments have been devolved to PRIs. Activity mapping has not been completed.</p>	<p>PRIs do not have control over functionaries of the subjects devolved.</p>

		day meal scheme, total sanitation campaign and distribution of scholarships.		
25.	Uttarakhand	<p>1. ZPs collect taxes. No taxes are collected at Block Panchayat. Gram Panchayat can levy property and Panchayat tax.</p> <p>2. Funds are made available to PRIs for activities for only 3 functions.</p>	<p>Master GO on transferring financial and administrative powers on 14 subjects has been issued in 2003. Activity Mapping of 11 departments has been done. Apart from these, poverty alleviation and rural housing have been fully devolved and food, social welfare, women & child development has been partially devolved to PRIs.</p>	<p>Orders were issued in regard to 14 subjects, giving certain powers of seeking information and supervision to Panchayats over officials but Panchayats exercise limited control over officials.</p>
26.	West Bengal	<p>1. GPs can impose and realize taxes on land and buildings. All 3 tiers can charge fees, tolls and realize charges against different services. Schematic funds are transferred from the Central and State Govt.</p> <p>2. Untied funds are allocated under the TFC grant as well as SFC grant. The State Govt. also provides a grant for PRIs to meet establishment costs. Deptts. of the State</p>	<p>Activity Mapping has been completed for 28 subjects dealt by 15 departments. In principle the State Govt. agree with transfer of these 28 subjects. 14 departments have so far issued matching GOs transferring 27 subjects.</p>	<p>The State Govt. has built a cadre of officials and technocrats specializing in devolved functions. 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.</p>

		Govt. transfer fund for devolved/assigned functions. 5 departments have opened Panchayat Window in their respective departmental budgets.		have devolved functionaries at appropriate level of Panchayat till 2008-09.
27.	Daman & Diu	As per the recommendations of the Third Finance Commission, UT of Daman & Diu has allotted 50% of funds out of the total funds devolved to District Panchayats.	12 subjects are fully devolved and 10 subjects are partially devolved. Activity mapping has not been done.	Functionaries for 13 departments have been transferred to Panchayats.
28.	Puducherry	1. Panchayats collect taxes such as house tax, profession tax, entertainment tax etc. Panchayats also generate income from fees, lease on rights to sell vegetable, fish etc. 2. Panchayats receive funds from the state budget under the community development sector but PRIs are not able to meet the demands of community development.	22 functions have been devolved to the PRI. Activity mapping has not been completed.	Devolution of functionaries has not been done yet.
29.	Lakshadweep		Transferred 31 major schemes to the District Panchayat and 39 major schemes to the Village (Dweep) Panchayats under all the subjects in 11 th Schedule in	UT Administration has transferred 815 no. of staff to DP and 544 no. of staff to VDP.

			<p>four phases. Activity mapping covering all 29 subjects has been done.</p> <p>The Administration is proposing for a major devolution of functions to the Panchayats for which action has been initiated.</p>	
30.	Chandigarh		<p>A committee constituted by the Chandigarh Administration recommended transfer of some functions of 12 Departments.</p> <p>However, the State Govt. felt that such an exercise of devolving the functions to PRIs would only be an interim measure because fast urbanization and that the villages are to become part of Municipal Corporation in near future.</p>	

Note:

- *Mizoram, Meghalaya and Nagaland are exempt.*
- *Delhi does not have Panchayats.*
- *Information is not available for UT of Dadra & Nagar Haveli*

STANDING COMMITTEE ON RURAL DEVELOPMENT
(2014-2015)

MINUTES OF THE THIRD SITTING OF THE COMMITTEE HELD ON
WEDNESDAY, THE 24 SEPTEMBER, 2014

The Committee sat from 1430 hrs. to 1600 hrs. in Committee Room No. '53', First Floor, Parliament House, New Delhi.

PRESENT

Dr. P. Venugopal - Chairperson

*Members
Lok Sabha*

2. Shri Sisir Kumar Adhikari
3. Shri Kirti Azad
4. Shri Biren Singh Engti
5. Shri Jugal Kishore
6. Shri Manshankar Ninama
7. Shri Mahendranath Pandey
8. Shri Prahlad Singh Patel
9. Shri Gokaraju Ganga Raju
10. Shrimati Butta Renuka
11. Dr. Yashwant Singh
12. Shri Balka Suman
13. Shri Ajay Misra Teni

Rajya Sabha

14. Shri Munquad Ali
15. Shri Gulam Rasool Balyawi
16. Shri Ram Narain Dudi
17. Shri Mahendra Singh Mahra
18. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Abhijit Kumar - Joint Secretary
2. Smt. Veena Sharma - Joint Secretary

3. Smt. B. Visala - Additional Director
4. Smt. Meenakshi Sharma - Deputy Secretary

Representatives of Ministry of Panchayati Raj

1. Smt. Vijay Laxmi Joshi - Secretary
2. Smt. Seema Bahuguna - AS & FA
3. Shri A.K.Goel - Addl. Secretary
4. Dr. Avtar Singh Sahota - Senior Economic Advisor
5. Smt. Rashmi Shukla Sharma - Joint Secretary
6. Smt. Neerja Sekhar - Joint Secretary
7. Smt. Sarada G. - Joint Secretary
8. Mr. C.Chinnappa - Director

2. At the outset, the Chairperson welcomed the members of the Committee and apprised them that the sitting had been convened to take briefing by the representatives of the Ministry of Panchayati Raj in connection with examination of the Demands for Grants (2014-15) of the Ministry.

[Witnesses were then called in]

3. The Chairperson then welcomed the representatives of the Ministry of Panchayati Raj to the sitting and read out Direction 55 (1) of the Directions by the Speaker regarding confidentiality of the proceedings. After permission from the Chairperson, the Secretary, Ministry of Panchayati Raj made a Power Point presentation on various issues viz. the salient features of Part IX of the Constitutions, the outlay of the Ministry during the 12th Five Year Plan, the schemes of the Ministry and their allocations, the achievements of the Ministry and the constraints faced by the Ministry etc. The Committee sought clarifications especially regarding monitoring of devolution of powers to Panchayats, corruption in gram Panchayats, criteria for incentivisation of Panchayats, steps taken to persuade the State Governments to furnish utilization certificates etc. These issues were replied to by the officers of the Ministry. The queries on which the information was not readily available, the Committee directed the representatives of the Ministry of Panchayati Raj to furnish written replies thereto.

[The representatives of Ministry of Panchayati Raj then withdrew]

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

The Committee then adjourned.

STANDING COMMITTEE ON RURAL DEVELOPMENT
(2014-2015)

MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE HELD ON
TUESDAY, THE 18 NOVEMBER, 2014

The Committee sat from 1100 hrs. to 1330 hrs. in Committee Room No. 'G-074', Ground Floor, Parliament Library Building, New Delhi.

PRESENT

Dr. P. Venugopal - *Chairperson*

Members
Lok Sabha

19. Shri Sisir Kumar Adhikari
20. Shri Kirti Azad
21. Shri Mahendra Nath Pandey
22. Shri Prahlad Singh Patel
23. Dr. Ramesh Pokhriyal "Nishank"
24. Shrimati Butta Renuka
25. Dr. Yashwant Singh
26. Shri Ajay Misra Teni
27. Adv. Chintaman Navasha Wanaga

Rajya Sabha

28. Shri Munquad Ali
29. Shri Ram Narain Dudi
30. Shri Mahendra Singh Mahra
31. Shri A.K.Selvaraj

SECRETARIAT

1. Shri Abhijit Kumar - Joint Secretary
2. Shri R.C.Tiwari - Director
3. Smt. B.Visala - Additional Director
4. Smt. Meenakshi Sharma - Deputy Secretary

Representatives of Ministry of Panchayati Raj

- | | | | |
|----|---------------------------|---|-------------------------|
| 1. | Shri A.K.Angurana | - | Secretary |
| 2. | Smt. Seema Bahuguna | - | AS & FA |
| 3. | Dr. Avtar Singh Sahota | - | Senior Economic Adviser |
| 4. | Shri A.K.Goyal | - | Additional Secretary |
| 5. | Smt. Rashmi Shukla Sharma | - | Joint Secretary |
| 6. | Smt. Neerja Sekhar | - | Joint Secretary |
| 7. | Smt. Sarada G. | - | Joint Secretary |
| 8. | Shri Dilip Kumar | - | Director |
| 9. | Shri C.Chinnappa | - | Director |

2. At the outset, the Chairperson welcomed the members of the Committee and apprised them that the sitting had been convened to take evidence of the representatives of the Ministry of Panchayati Raj in connection with examination of the Demands for Grants (2014-15) of the Ministry.

[Witnesses were then called in]

3. The Chairperson then welcomed the representatives of the Ministry of Panchayati Raj to the sitting and read out Direction 55 (1) of the Directions by the Speaker regarding confidentiality of the proceedings. The Chairperson highlighted the issue of unspent balances under the major schemes of Backward Regions Grant Fund (BRGF) and Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) and their slow pace of implementation. After permission from the Chairperson, the Secretary, Ministry of Panchayati Raj made a Power Point presentation on various issues viz. mandate of the Ministry, Constitution's mandatory and discretionary provisions, budget outlay of the Ministry, objectives and features of the Backward Regions Grant Fund (BRGF) scheme and Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) scheme, initiatives of the Ministry for improvements etc. The Committee sought clarifications especially regarding gram sevaks, service conditions of accountant and data entry operators, effective devolution of powers to Panchayats, late submission of plans by States, huge unspent balances especially under BRGF etc. These issues were replied to by the officers of the Ministry. The queries on which the information was not readily available, the Committee directed the representatives of the Ministry of Panchayati Raj to furnish written replies thereto.

[The representatives of Ministry of Panchayati Raj then withdrew]

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

The Committee then adjourned.

STANDING COMMITTEE ON RURAL DEVELOPMENT
(2014-2015)

**EXTRACTS OF MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE HELD ON
TUESDAY, THE 16 DECEMBER, 2014**

The Committee sat from 1500 hrs. to 1600 hrs. in Committee Room No. G-074, Ground Floor, Parliament Library building (PLB), New Delhi.

PRESENT

Dr. P. Venugopal -- *Chairperson*

MEMBERS

LOK SABHA

32. Shri Mahendra Nath Pandey
33. Shri Prahlad Singh Patel
34. Dr. Ramesh Pokhriyal "Nishank"
35. Shri Gokaraju Ganga Raju
36. Dr. Anbumani Ramadoss
37. Dr. Yashwant Singh
38. Shri Balka Suman
39. Shri Ajay Misra Teni
40. Adv. Chintaman Navasha Wanaga

RAJYA SABHA

11. Shri Gulam Rasool Balyawi
12. Shri Ram Narain Dudi
13. Shri Mahendra Singh Mahra
14. Shri Ranvijay Singh Judev
15. Dr. Vijaylaxmi Sadho
16. Shri A. K. Selvaraj
17. Smt. Kanak Lata Singh

SECRETARIAT

1. Shri R. C. Tiwari - Director
2. Smt. B. Visala - Additional Director
3. Smt. Meenakshi Sharma - Deputy Secretary

2. At the outset, the Chairperson welcomed the members of the Committee to the sitting convened for consideration and adoption of four draft reports on Demands for Grants 2014-15. The Hon'ble Chairperson also welcomed Dr. Vijaylaxmi Sadho, MP on her nomination as Member to the Committee.

3. * * * * *

4. The Committee then took up for consideration the following draft reports:

(i) * * * * *

(ii) * * * * *

(iii) Draft Report on Demands for Grants (2014-15) of the Ministry of Panchayati Raj; and

(iv) * * * * *

After discussing the Draft Reports in detail, the Committee adopted the aforesaid four Draft Reports. The Committee also authorized the Hon'ble Chairperson to finalize these Draft Reports taking into consideration consequential changes arising out of factual verification, if any, by the concerned Ministry/Department and to present the same to both the Houses of Parliament.

The Committee then adjourned.

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