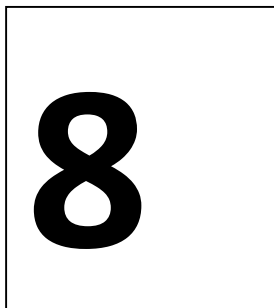


STANDING COMMITTEE ON RURAL DEVELOPMENT

(2014-2015)



SIXTEENTH LOK SABHA

MINISTRY OF PANCHAYATI RAJ

**DEMANDS FOR GRANTS
(2015-16)**

EIGHTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

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MINISTRY OF PANCHAYATI RAJ

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(2015-16)

Presented to Lok Sabha on 23.04.2015

Laid in Rajya Sabha on 23.04.2015



LOK SABHA SECRETARIAT

NEW DELHI

April , 2015/ Vaisakha, 1936 (Saka)

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

Dr. P.Venugopal - *Chairperson*

MEMBERS

LOK SABHA

2. Shri Sisir Kumar Adhikari
3. Shri Kirti Azad
4. Shri Harish Chandra Chavan
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RAJYA SABHA

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

SECRETARIAT

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

@ Vacancy caused on account of resignation of Shri Srinjoy Bose from membership of Rajya Sabha w.e.f. 05.02.2015

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

Vacancy caused due to retirement of Prof. Saif-Ud-Din Soz on 10.02.2015

(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 Eighth Report on Demands for Grants (2015-16) of the Ministry of Panchayati Raj.

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

3. The Committee took evidence of the representatives of the Ministry of Panchayati Raj on 26 March, 2015.

4. The Report was considered and adopted by the Committee at their sitting held on 21 April, 2015.

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;
22 April, 2015
2 Vaisakha, 1937 (Saka)

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

ABBREVIATIONS

3Fs	Functions, Functionaries and Finance
BE	Budget Estimates
BPL	Below Poverty Line
BRGF	Backward Regions Grant Fund
CFC	Central Finance Commission
CSS	Centrally Sponsored Scheme
DI	Devolution Index
DPC	District Planning Committee
ER	Elected Representative
EWR	Elected Women Representative
EYR	Elected Youth Representative
FC	Finance Commission
GOI	Government of India
GP	Gram Panchayat
GS	Gram Sabha
IEC	Information, Education, and Communication
MAS	Model Accounting System
MIS	Management Information System
MMP	Mission Mode Project
MP	Members of Parliament
MoPR	Ministry of Panchayati Raj
NCBF	National Capacity Building Framework
NE	North Eastern
NGO	Non-Governmental Organisation
NIC	National Informatics Centre
PEAIS	Panchayat Empowerment and Accountability Incentive Scheme
PESA	Panchayats (Extension to the Scheduled Areas) Act, 1996
PMEYSA	Panchayat Mahila Evam Yuva Shakti Abhiyan
PR	Panchayati Raj
PRI	Panchayati Raj Institution
RAC	Research Advisory Committee

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RD	Rural Development
RE	Revised Estimate
RGPSA	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan
RGSY	Rashtriya Gram Swaraj Yojana
SC	Scheduled Caste
SEC	State Election Commission
SFC	State Finance Commission
SIRD	State Institute of Rural Development
ST	Scheduled Tribe
TFC	Thirteenth Finance Commission
UT	Union Territory

REPORT
PART I
NARRATION ANALYSIS

I. INTRODUCTORY

Panchayats are local governments mandated in the Constitution of India. As per the Constitution, three tiers of Panchayats are to be constituted, through elections every five years, except in States with population less than 20 lakhs, where Panchayats at two tiers may be created. The Constitution envisages that Panchayats will function as institutions of local government and prepare plans and implement schemes for economic development and social justice, but leaves the precise devolution of powers and authority to Panchayats to the States.

1.2 The Ministry of Panchayati Raj which was set up in May 2004 envisages to attain decentralized and participatory local self-government through Panchayats or Panchayati Raj Institutions (PRIs). 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 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 Ministry of Panchayati Raj flows from Part-IX of the Constitution of India, titled 'the Panchayats', read with Article 243 ZD of Part IX-A relating to District Planning Committees (DPCs) 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.

II. RESPONSIBILITIES/FUNCTIONS OF THE MINISTRY

1.4 The following are the functions of the Ministry of Panchayati Raj:

- (i) To oversee the implementation of Part IX of the Constitution,
- (ii) Support States to build capacities of Panchayats,
- (iii) Devolve powers to Panchayats:- Funds, Functions, Functionaries,

- (iv) Promote decentralized planning and strengthen District Planning Committees,
- (v) Promote e-governance in Panchayats,
- (vi) Strengthen Gram Sabhas,
- (vii) Promote accountability through up-to-date and accurate accounts, disclosures, regular audit and social audit,
- (viii) Implementation of Panchayats (Extension to the Scheduled Areas) Act, 1996, (PESA)

1.5 With a view to carrying out the above functions, the schemes mainly administered by the Ministry of Panchayati Raj till 2014-15 include Backward Regions Grant Fund (BRGF), Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), Media and Publicity and Action Research and Research Scheme. From 2015-16, the schemes of BRGF and RGPSA have been delinked from support from the Centre except for the National component of RGPSA. It is upto the States to continue these schemes. The National component of RGPSA, Media and Publicity, Action Research and Research Studies are proposed to be continued, as these aim at building the capacities of Panchayats.

III. OVERALL ANALYSIS

1.6 Demand No. 71 which relates to Ministry of Panchayati Raj mainly provides funds for implementation of the National component of RGPSA, Media and Publicity and Action Research and Research Studies.

1.7 Under Demand No. 71, the Ministry of Panchayati Raj has been allocated a sum of Rs. 94.75 crore for the fiscal year 2015-16 with Plan component of Rs. 94 crore and Non-Plan component of Rs. 0.75 crore. This outlay is Rs. 6905.95 crore lesser than the previous year (2014-15) B.E of Rs. 7000.70 crore and Rs. 3305.94 crore lesser than previous year (2014-15) R.E of Rs. 3400.69 crore.

A. Head-wise Allocation

(Rs in crore)

Plan	Scheme	B.E (2015-16)
	1. Secretariat - Economic Services	25.00
	2. Media & Publicity	5.00
	3. Projects Assisted by UN Agencies	1.90
	4. Action Research and Research Studies	2.00
	5. Contribution to International Local Governance Bodies	0.10
	6. Rajiv Gandhi Panchayat Shashaktikaran Yojana Abhiyan (RGPSA) MH-3601 MH-2515 (Central Component)	0.00 50.00
	7. Grants for North East Region	10.00
	8. Backward Region Grant Fund	0.00
	Total Plan	94.00
Non-Plan	(Salaries, Wages, Overtime, Medical, Domestic Travel, Foreign Travel, Office Expenses, Other administrative expenses)	0.75
	Grand Total (Plan & Non-Plan)	94.75

1.8 The Committee have been informed that the schemes of BRGF and RGPSA have been delinked from support from the Centre except for the National component of RGPSA and it is upto the States to continue these schemes.

1.9 The proposals made and funds allocated are as under:

(Rs. in crore)

Name of Scheme	Funds proposed by MoPR in 2015-16	Funds provided
		BE 2015-16
RGPSA	1599.00	60.00
BRGF	8500.00	0
Other Scheme	51.00	34.00
Total	10150.00	94.00

1.10 Asked whether the Ministry had prepared a composite plan to facilitate the States in implementation of the schemes of BRGF and RGPSA, the Ministry in a written reply stated as under:

"The Government of India has taken the decision to transfer several Centrally Sponsored Schemes(CSSs) to the States. Accordingly, as per the Union Budget for 2015-16, the BRGF and RGPSA programmes stand transferred to the States. The necessary support for these programmes is expected to be extended by the State Governments from the higher share of transferred resources plus from funds to be transferred to the Panchayats as per recommendations of the 14th Finance Commission. An MIS was developed and various technical support activities were undertaken in RGPSA. The Ministry had prepared a comprehensive mechanism of National Level Monitors (NLMs) to oversee the implementation of both RGPSA and BRGF but due to transfer of these programmes to the States, this effort is under review. The Ministry will continue to provide technical support to States under RGPSA within the available funds."

1.11 In this context, the Secretary, Ministry of Panchayati Raj, during evidence stated as under:

"The purpose of devolution of funds is to ensure that there are more powers to the States to design their own scheme. Money is going but not as a scheme."

B. Outlay and Expenditure

1.12 The Scheme-wise outlays and expenditure of the MoPR during the last three years are given as under:

Sl. No.	Name of Scheme/Programme	Budget Estimates 2013-14	Revised Estimates 2013-14	Actual Expenditure 2013-14	Budget Estimates 2014-15	Revised Estimates 2014-15	Actual Expenditure 2014-15	Budget Estimates 2015-16
1.	Secretariat Economic Service	22.00	22.00	14.65	25.00	22.00	17.17	25.00
2.	Contribution to International Local Governance Bodies	0.10	0.10	0.08	0.10	0.10	0.00	0.10
3.	Projects assisted by UN agencies	4.90	4.90	0.32	1.90	1.90	-	1.90
4.	Media & Publicity	15.00	15.00	14.42	20.00	10.00	2.55	5.00
5.	Action Research & Research Studies	3.00	3.00	2.18	3.00	2.00	0.36	2.00
6.	RGPSA	655.00	655.00	629.58	1050.00	527.00	476.55	60.00*
7.	BRGF	6500.00	2800.00	2800.00	5900.00	2837.00	2819.26	-
TOTAL		7200	3500	3461.23	7000.00	3400.00	3315.89	94.00

*From RGPSA's B.E 2015-16 Rs. 50.00 crore is for Expenses, Central Components and other services & Rs. 10.00 crore for NE regions.

C. Percentage change in Various Schemes/Programmes During Last 3 years

1.13 Statement showing percentage increase or decrease over previous year in allocation of the MoPR is given below:

(Rs. in crores)

Sl. No	Name of the Scheme/programme	2013-14			2014-15			2015-16	
		BE	RE	% increase/decrease	BE	RE	% increase/decrease	BE	% increase/decrease
1.	Secretariat Economic Service	22.00	14.65	(-)26.75	25.00	22.00	50.17	25.00	0
2.	Contribution to International Local Governance Bodies	0.10	0.08	(-)20	0.10	0.10	25	0.10	0
3.	Projects assisted by UN Agencies	4.90	0.32	(-)96.40	1.90	1.90	493.75	1.90	0
4.	Media & Publicity	15.00	14.42	20.17	20.00	10.00	(-)30.65	5.00	(-)75.00
5.	Action Research & Research Studies	3.00	2.18	9	3.00	2.00	(-)8.26	2.00	(-)33.33
6.	RGPSA	655.00	629.58	-	1050.00	527.00	(-)16.29	60.00	(-)94.28
7.	BRGF	6500.00	2800.00	(-)25	5900.00	2837.00	1.32	0.00	-
	Total	7200.00	3461.23	(-)13.50	7000.00	3400.00	(-)1.79	94.00	(-)98.65

1.14 When asked about the reasons for huge reduction in allocations at RE stage especially under BRGF and RGPSA schemes during 2014-15, the Ministry in a written reply stated as under:

"Under BRGF the BE allocation of Rs. 5900 crores was reduced to Rs. 2837 crores at RE stage. BRGF is a process oriented and demand driven programme implemented by the PRIs. During 2014-15, 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. The reduction at the RE stage was in conformity with the overall reduction of budgetary outlays of Government of India.

In so far as the scheme of RGPSA is concerned, the reduction from the provision made in BE at the stage of RE has been resorted to only in the financial year 2014-15. As RGPSA is a relatively new scheme, it took some time for expenditure to pick up. The Ministry has approved plans of 28 States/UTs."

1.15 The Committee further enquired about how far the reduction in resources affected the pace of implementation of different programmes of the Ministry during the year 2014-15 and the broad areas not covered due to reduction in resources. The Ministry in a written reply stated as under:

" Due to reduction in the budget under BRGF at RE stage (2014-15), 87 districts out of 272 could not be considered for release of first instalment itself and 17 States could not claim the Capacity Building grant. Further, the second instalment could not be released to any State / district due to the reduction of budget at the RE stage. The drastic reduction in budgetary allocation at RE stage under the scheme of RGPSA during 2014-15 has led to short release of first installment of Central share in respect of State of Telangana against their Annual Plan approved by CEC. Further, due to shortage of funds, this Ministry is not in a position to consider the requests from the States of Chhattisgarh, Karnataka, Himachal Pradesh, Andhra Pradesh and Manipur for release of second installment who have reported considerable expenditure out of funds released to them. The financial constraint will also entail short release of first installment of Central share in respect of two States namely Punjab and Mizoram."

1.16 Regarding the reasons for such substantial reduction at BE level of the Ministry's outlay for 2015-16 and how the reduction in funds would affect the programmes of Ministry of Panchayati Raj, the Ministry in a written reply stated as under:

"The Ministry's two major schemes BRGF and RGPSA, have been transferred to States. Therefore, the Ministry's budget is reduced drastically. The Ministry's schemes, especially RGPSA, were designed to motivate and assist States in strengthening Panchayats. Under RGPSA, States had prepared perspective and annual plans, and evolved strategies to strengthen their Panchayati Raj systems. Since the operationalisation of RGPSA, funds to the tune of Rs. 1080.04 crore have been released to 24 States and 2 UTs for different activities including those for capacity building and training, infrastructure and manpower at GP level as per the annual plan proposals of the States. From the experience gained during the implementation of the scheme, it was observed that the activities of the scheme which were slow initially, started gaining momentum.

As per the 14th FC recommendations, Gram Panchayats in the country will now be given Rs.2,00,292.2 crore for the period 2015-2020. This will translate to roughly Rs.17 lakh per Gram Panchayat per year, a substantial increase in their financial resources. This fund is to be used primarily for delivery of basic services. While GPs will have the funds to provide basic services, their capacity to do so will have to be ensured. This huge allocation comes at the time when the RGPSA programme has been transferred to States to be financed from their own resources. Gram Panchayats across the country lack both in human resources and training to deliver basic services. In many States, adequate staff are not available at Gram Panchayats e.g. at many places one Panchayat Sachiv may be servicing 5 or more Gram Panchayats and there may be no accountants. With RGPSA, there had been an increasing willingness of the States to provide their share for capacity building interventions and to engage with the issue of capability development of their PRIs, especially at the Gram Panchayat level. In the absence of either resources or leverage, it will become difficult for the Ministry to ensure that the capacities of Panchayats are built."

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

"This is the outlay, there was a huge cut of about 98.65 per cent. It is because of high level of devolution both to the Gram Panchayats and to the States. As we all know, 42 per cent of the divisible pool is going to the States up from 32 per cent, and above this, the Gram Panchayats alone will be getting Rs. 2,00,292 crore over the next five years. Probably, this is the reason the Budget is extremely low.

BRGF has been given up, and as regards RGPSA, we have a very small Central component of Rs. 60 crore, and Rs. 34 crore is for all other small schemes. I would also like to place on record that out of Rs. 94 crore, nearly Rs. 25 crore is our establishment cost because it is a new Ministry and the salary is paid for by Plan and not non-Plan. So, we practically have only about Rs. 65-70 crore for anything to do."

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

"In view of the changed circumstances, the interventions and priorities of the Ministry in supporting Panchayati Raj would have to be extremely calibrated and strategic. The Ministry has begun the process of consultation with experts. With this outlay, the Ministry will focus on providing technical inputs to States."

1.19 Asked about how the Ministry would convince States to carry on with schemes on their own and what steps have been taken to get allocation increased, the Secretary, Ministry of Panchayati Raj during the course of evidence stated as under:

"Regarding the continuation of the old scheme, and many departments face this problem, it is transferred to the States. It means we will be writing to the States saying that this is your unspent money and these are the approved projects and at least ensure that the approved projects are completed so that there is no infructuous expenditure. But for projects which they have not started, it is up to the State Government to decide, but for projects which they have started, we will issue an advisory and that is normally taken seriously.

We have now formally requested the Ministry of Finance to enhance our allocation at least for the capacity building which I have mentioned. We have formally asked, at my level, for Rs. 1,325 crore. Our Minister is also writing to the Finance Minister. We are making the submission before the hon. Committee because you are examining our Demands. We have made a formal request, but I am not sure how much we will get. We hope something will be done. With Rs. 50 crore or Rs. 60 crore, I am afraid we will be able to do very little. Maybe, we hold some meetings, very small training programmes at the national level for the trainers and below that we cannot go at this point of time.

For your information, we have nearly 30 lakh elected representatives and if we give them one day's training, even if we just give them food, it will come to Rs. 30 crore. You can see the size of the problem. We are at a loss, but then what we thought is that with Rs. 60 crore, we will do at the national level some training of trainers, developing some training modules and also develop some software for Panchayats and then they

can key in the data. As you said, the data collection is very important. So, for the electronic collection of data, we will depend on the State Governments."

IV. Central Finance Commission Grant

1.20 The Central Finance Commission grants are allocated and released to the various States by the Ministry of Finance (Department of Expenditure) in accordance with the guidelines issued by that Ministry. The release of Basic Grants is subject to the conditions of the State having elected Panchayats in place and submission of utilization certificates. For the release of Performance Grant in addition to the compliance of the two conditions for the release of Basic Grants, compliance of six conditions by the States related to reforms in budget & accounts, Technical Guidance & Support (TG&S) from the Comptroller & Auditor General (C&AG) over audit of the accounts of local bodies, timely transfer of funds to PRIs, appointment of Ombudsman, prescribing eligibility qualifications for appointment of members of State Finance Commissions and empowering local bodies to levy property tax without hindrances is also required. These conditions are required to be met on 31st March of the previous fiscal year for a State to become eligible to draw its entitled share of Performance Grant for any fiscal year.

A. The Thirteenth Finance Commission

1.21 The thirteenth Central Finance Commission awarded a percentage of the Divisible Pool to PRIs i.e (a) Basic Grant amounting to 1.5% of the Divisible Pool (b) Performance Grant, payable for a period of four years starting from 2011-12 at the rate of 0.5% of the Divisible Pool in the first year and 1% of the Divisible Pool in the remaining three years. Based on the distribution criteria between the rural local bodies and urban local bodies and revenue projections for the Divisible Pool, the total estimated grant payable to PRIs works out to Rs. 63,050 crore, comprising Rs. 41,222 crore as Basic Grant and Rs. 21,825 crore as Performance Grant, for the award period 2010-15.

B. The Fourteenth Finance Commission (FC-XIV) -2015-2020

1.22 The Fourteenth Finance Commission was constituted by the President under Article 280 of the Constitution on 2 January 2013 to make recommendations for the period 2015-20. The Ministry, in its interactions with the Commission, highlighted the importance of support to Panchayats. FC-XIV has recommended a grant of Rs. 2,00,292.2 crores to Panchayats for 2015-20.

1.23 Recommendations of the Fourteenth Finance Commission are as under:

- 1) Rs. 2,00,292.2 crores grant for Panchayats for 2015-2020 which is more than three times the grants during the Thirteenth Finance Commission.
- 2) The whole fund to go to Gram Panchayats unlike during the Thirteenth Finance Commission.
- 3) Fund availability per capita would be approximately Rs. 2,404 for five years.
- 4) 90 % Basic Grant, 10% Performance Grant.
- 5) Basic Grant intended to improve basic civic services: water supply, sanitation, sewerage, solid waste management, storm water drainage, maintenance of community assets, roads, footpath, street lighting, burial and cremation grounds.
- 6) Performance Grant based on submission of audited annual accounts and increase in own revenues.
- 7) No conditions on end-use and release can be set by Government of India or States.

1.24 Asked about how the Ministry proposes to utilise the huge increase in grants by the Fourteenth Finance Commission, the Ministry in a written reply stated as under:

" The grants recommended by the Fourteenth Finance Commission will be released by the Ministry of Finance to the States, who will release these to Panchayats, for undertaking various activities to improve the status of basic civic services including water supply, sanitation, septage management, sewerage, solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths and street- lighting, and burial and cremation grounds.

The 14th FC Report has been accepted recently. As so far as the utilization of grants awarded by the Fourteenth Finance Commission to the Gram Panchayats is concerned, MoPR intends to initiate a process of consultation with the State Governments, Ministry of Finance, the office of Comptroller & Accountant General and other partners to create an acceptable framework for facilitating the utilization of the devolved grants. MoPR's role will depend on the guidelines issued by Department of Expenditure."

1.25 Regarding the challenges and constraints before the Ministry for empowerment of Panchayats, requirement of funds for capacity building and training of Elected Representatives and functionaries of Panchayati Raj Institutions, the Ministry in a written reply stated as under:

"Gram Panchayats in the country will be given Rs.2,00,292.2 Cr. for the period 2015-2020 as per the recommendations of the Fourteenth Finance Commission. This will be

a substantial increase in their financial resources. This fund is to be used primarily for delivery of basic services. However this huge allocation comes at the same time that the allocation of the RGPSA programme has been transferred to States, to be met from their own resources. Gram Panchayats across the country lack both the human resources and the training to be able to deliver on their constitutional mandate. In many States, sanctioned staff are not available under the Gram Panchayats – even where there are staff, the numbers are so inadequate, that one Panchayat Sachiv may be servicing 5 or more Gram Panchayats. The lack of sufficient power, broadband connectivity, manpower and capacity are the common challenges faced by many Panchayats in the country in the implementation of e-Panchayat.

Newly Elected Representatives need to be provided basic training within 6 months of their election, else they would lose valuable time in developing the capabilities for local governance. The States have traditionally not invested in the training of Elected Representatives, nor have they allocated resources for building institutional capability for delivery of training and handholding support to the Panchayats. With RGPSA, there had been an increasing willingness of the States to provide the State share for capacity building interventions and to engage with the issue of capability development of their PRIs, especially at the Gram Panchayat level. In the absence of either resources or leverage, it will become difficult for the Ministry to ensure that the States fulfil their constitutional mandate with regard to Panchayati Raj. The States would also need to practise cooperative federalism at their end.

The Ministry is planning to strategically reposition itself so as to be able to facilitate State Governments, especially the States that are weak in Devolution and capacity building, to institutionalize the strengthening of Panchayati Raj Institutions in the States, and to focus on bringing quality and depth to the capacity building effort."

1.26 On the issues to be addressed regarding the recommendations of the Fourteenth Finance Commission, the Secretary, Ministry of Panchayati Raj, in the presentation given during evidence stated as under:

- "(i) Weakest Gram Panchayats (GPs) are in poorest areas of the country.
- (ii) With a few exceptions such as Kerala, Karnataka, West Bengal, the manpower at the GP level is inadequate. States lack managers/development officers, accountants and engineers at the GP level.
For example:
 - UP will get 17.9% of the 14th FC Grant, but there is only one secretary in 5-6 GPs in UP, no accountants, and inadequate number of technical staff
 - Bihar will get 10.5% of the grant, but has only one post per GP, for an average population of 10,000.
- (iii) Most Gram Panchayats don't prepare plans or even proper budgets.
- (iv) Around 50,000 Gram Panchayats do not have even buildings.
- (v) Only a few States are able to train Gram Panchayat representatives and functionaries adequately.
- (vi) States lack adequate training infrastructure.
- (vii) States depend on Central funds for training.
- (viii) Manuals on accounts, audit etc. do not exist in most States.
- (ix) Accounts are poorly maintained, audit is not regular."

1.27 Regarding monitoring of the grants from the Central Finance Commission, the Secretary, Ministry of Panchayati Raj during the course of evidence explained as under:

"We had been doing for the Twelfth Finance Commission and the Thirteenth Finance Commission, a very broad kind of monitoring and not getting into details. I thought in the present context, with two lakh crore of rupees, we will have to intensify our monitoring and have frequent meetings with States, and then collect this data on how they spend. That is our preliminary plan."

V. Unspent Balances

1.28 Status of Unspent Balances as on 31.12.2014

Sl. No	Scheme	Major head	BE 2014-15	RE 2014-15	Expenditure upto 31.12.2014	Unspent Balance
1.	Secretariat - Economic Services	3451	25.00	22.00	14.64	-
2.	Media and Publicity	2515	20.00	10.00	1.73	1.73
3.	Action Research and Research Studies	2515	3.00	2.00	0.36	0.81
4.	RGPSA	2515	44.00 MH-2515 896.00 MH-3601	44.00 MH-2515 428.00 MH-3601	4.57 386.77	602
5.	BRGF	3601	5310.00	2550.00	2771.01	4524.94
TOTAL			7000.00	3400.00	3179.08	5129.48

1.29 Status of Outstanding Utilisation Certificates as on 31.12.2014

Scheme	Amount
Backward Regions Grant Fund	743.89
Mission Mode Project on e-Panchayats	59.65
Rashtriya Gram Swaraj Yojana	172.39
Action Research and Research Studies	0.22
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	131.90
Media and Publicity	0.007
TOTAL	1139.367

VI. Scheme-Wise Analysis

A. Backward Regions Grant Fund (BRGF)

(i) Brief particulars of the Scheme

1.30 The Backward Regions Grant Fund (BRGF) was implemented to redress regional imbalances in development. BRGF provided financial resources for supplementing and converging existing developmental inflows into identified districts, so as to bridge critical gaps in local infrastructure and other development requirements that are not being adequately met through existing inflows.

(ii) Coverage

1.31 The programme was implemented in the 272 selected backward districts in 27 States. The schemes and works under the BRGF are required to be planned, implemented and managed by the Panchayats and the Municipalities at various levels and consolidated and approved as District Plan by the District Planning Committees. Under the capacity building component of the BRGF, funds are released for building capacities in planning, implementation and monitoring of the assigned schemes, functions and improving accountability and transparency at the level of Panchayats and the Municipalities. BRGF Programme is a Centrally Sponsored Scheme (CSS), funded 100% by the Government. In 2015-16, BRGF scheme has been transferred to States.

(iii) Financial performance

1.32 The allocation for BRGF scheme for the Twelfth Plan is Rs. 29306 crores. The details 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	2837.00	2819.26
2015-16	*		

*From 2015-16, the scheme of BRGF has been transferred to States who will run the scheme from their own resources.

1.33 The Committee wanted to know the reasons for the transfer of BRGF scheme to States. The Ministry in a written reply stated as under:

" The transfer of BRGF programme to States has taken place in the context of the Fourteenth Finance Commission Grant. The Ministry has put in place mechanisms to monitor the implementation and performance of the Programme. The utilization of BRGF

funds is monitored by the Ministry through various documents viz. periodical Physical & Financial Progress Reports, Utilization Certificates, Audit Reports of statutory auditors etc. submitted by the State Governments. BRGF funds are released in two instalments during a financial year and the essential condition for release of each instalment is 60% utilisation of the earlier releases and furnishing of the aforesaid documents by the State Governments. The BRGF guidelines also provide for audit of works through a review committee at District Level and social audit and vigilance at the Panchayat levels."

1.34 Regarding the measures taken by the Ministry to curb increase in corruption under the BRGF scheme other than simply forwarding complaints to States, the Ministry in a written reply stated as under:

"As implementation of works under the BRGF Programme at the ground level is done by the State Governments, complaints received regarding corruption are forwarded to the State Government concerned for detailed inquiry. However, the Ministry supports State Governments in addressing corruption in Panchayats in many ways. The Ministry has developed the PRIASoft software to enable Panchayats to maintain computerized accounts and put them on line. It has supported States in strengthening Gram Sabhas and social audit through the Gram Sabhas by issuing guidelines and providing funds for capacity building of Gram Sabhas."

B. Rajiv Gandhi Panchayat Sashaktikaran Abhiyan

1.35 The Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), a Centrally Sponsored Scheme, was launched during the 12th Five Year Plan to strengthen the Panchayati Raj system across the country and to address factors that constrain it. The erstwhile small schemes of this Ministry- Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA), Rashtriya Gram Swaraj Yojana (RGSY), e-Panchayat, Panchayat Empowerment and Accountability Incentive Scheme (PEAIS) were subsumed in RGPSA.

1.36 RGPSA provided funds to States to strengthen Panchayats as per plans submitted by them. The components that were funded under the scheme included technical and administrative support at the GP level, construction and repair of GP buildings, capacity building and training of Elected Representatives (ERs) and Panchayat functionaries, institutional structure for capacity building, e- enablement of Panchayats, funds for Panchayats with inadequate resource base, special support for Panchayats in PESA areas, strengthening State Election Commissions (SECs), Information, Education and Communication (IEC) activities and programme management. RGPSA provided funds on the basis of Perspective Plans and Annual Plans of the States as approved by the Central Executive Committee (CEC), RGPSA. To strengthen Gram Sabhas in PESA areas, RGPSA provided for one Gram Sabha mobiliser in each Gram Panchayat, one PESA coordinator in

each block, and one PESA coordinator in each district. Further, funds were provided for orientation programmes for Gram Sabhas in PESA areas.

1.37 Under RGPSA, States had to show progress on various parameters related to devolution and promotion of accountability and transparency in Panchayats, as State plans were approved. RGPSA includes a National Component, under which Panchayats are incentivized for their performance and technical support is provided to States across a range of activities. This component has been retained with reduced funding in 2015-16.

1.38 From 2015-16, RGPSA has been transferred to States, except for a small National component to be administered at the National level.

1.39 On being asked the reasons for transfer of RGPSA to the States and the mechanism for the Ministry to monitor the implementation and control over the performance of this scheme, the Ministry in a written reply stated as under:

"The Centrally Sponsored Schemes of RGPSA and BRGF which were being implemented by this Ministry have been transferred to the State Governments with effect from financial year 2015-16 in the context of the recommendations of the Fourteenth Finance Commission. As regards mechanisms to monitor the programme of RGPSA, a dedicated Management Information System (MIS) was established for monitoring of progress under the programme. It was being revised to incorporate appraisal of plan proposals, which has since become infructuous."

Financial Performance of RGPSA

1.40 The funding pattern of the scheme was 75:25 by Centre and State Governments except for NE States, where it is 90:10. The National component is funded 100% by the Central Government.

1.41 The allocation and expenditure under RGPSA since 2012-13 are given below:-

(Rs. in crore)

Year	Fund allocated		Funds released
	BE	RE	
2012-13	50.00	50.00	42.92
2013-14	655.00	655.00	629.58
2014-15	1050.00	527.00	476.55 (as on 03.02.2015)
2015-16	60*	-	-

*Rs. 50.00 crore is for Expenses, Central Components and other services & Rs. 10.00 crore for NE regions.

1.42 Regarding the priorities of the Ministry under the scheme during the current financial year, the Ministry in a written reply stated as under:

"The Ministry will provide technical support to States such as preparation of manuals etc. The details of this support are being worked out in consultation with experts and States Governments."

1.43 Asked whether there is any mechanism to strengthen the PRIs and also the efforts made by the Ministry to overcome the constraints faced, the Ministry in a written reply stated as under:

"Poor capacities of Panchayat combined with low devolution of powers, lack of adequate administrative and technical manpower at GP level, poor resource generation capacity of the Panchayat, inadequate infrastructure for the same has been the major constraints in effective functioning of PRIs. The RGPSA scheme addressed the above constraints by providing funds for manpower, Panchayat buildings, training etc. the BRGF programme promoted decentralized planning. However, in financial year 2015-16 the Ministry will be making only a few strategic interventions since all of BRGF and the major portion of RGPSA stands transferred to the States. MoPR has only Rs.60 crores under RGPSA."

"Under the State Plan component of the scheme of RGPSA, there was provision for providing financial assistance to States for engaging administrative and technical manpower, building administrative and capacity building infrastructure, training of Elected Representatives and functionaries, support to Panchayats with inadequate resources etc. BRGF promoted decentralized planning. However, these schemes have been transferred to States. The Ministry will provide technical support to States to continue these activities."

C. Media and Publicity

1.44 The Media and Publicity Scheme aims at effective communication through the electronic and the print media for advocacy and publicity regarding Panchayati Raj, as well as building the capacities of Panchayats and enhancing their performance. Given the divergent nature of the stakeholders to be addressed, multiple media options are adopted. The Ministry has sponsored programmes on radio and television and commissioned training films under the scheme.

1.45 The activities undertaken during 2014-15 include:

- (i) The process of giving Rashtriya Gaurav Gram Sabha Puraskar (National Award) is on.

- (ii) Comprehensive mass awareness generation campaign was carried out during the Palkhi Sohala- 2014 in Maharashtra.
- (iii) Ministry's tableau on the scheme "Model Gram Panchayat" was exhibited in the Republic Day Parade-2015.
- (iv) Training films, films on best performing Panchayats and animation films were commissioned.

1.46 Against the BE allocation of Rs. 20 crores and RE of Rs. 10 crores for 2014-15, Rs. 2.55 crores has been utilized. Allocation (BE) for 2015-16 is Rs. 5 crores.

1.47 When asked about the reasons for such low utilization of funds under the scheme during 2014-15, the Ministry in a written reply stated as under:

" The Ministry has commissioned 35 short films for training purposes in 2014-15, which will be shared with the States. The process of film production was a long one, involving research & meticulous preview and approvals at every stage of film-production in order to produce good quality films in different genres/formats. These films are now being reviewed and finalized. While considerable work has been done, funds will be released after the films are finalized.

Further, National Panchayati Raj Day (24th April of every year) event could not be organized, because of National elections. In addition, as funds were needed urgently for RGPSA, some funds are proposed to be reappropriated to RGPSA, and payments under Media & Publicity scheme will be made with the budget of 2015-16."

1.48 Regarding the priorities of the Ministry during the current financial year under the Scheme, the Ministry in a written reply stated as under:

"The Ministry attaches great importance to IEC (Information, Education & Communication) and creating awareness among the stakeholders of Panchayati Raj. A national level conference is being organized on 24th April 2015 to commemorate the National Panchayati Raj Day. This event is an occasion to bring together, in one forum, all stakeholders at Central, State and Panchayat levels, and it serves as a vibrant platform which brings together Elected Representatives and functionaries of Panchayati Raj Institutions from across the country and nurtures the spirit of dialogue and camaraderie. Best performing Gram Panchayats / Gram Sabhas will be conferred with Rashtriya Gaurav Gram Sabha Puraskar. The Ministry will make efforts to disseminate information through the print and electronic media alongwith traditional forms of mass communications."

D. Action Research and Research Studies Scheme

1.49 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. This scheme is funded 100% by the Government. The allocation for the year 2014-15 (R.E) was Rs. 2 crores out of which the actual expenditure was Rs. 0.36 crore. The allocation (B.E) for the year 2015-16 is Rs. 2 crores.

1.50 Asked about the reasons for such low utilization of funds under the scheme during 2014-15, the Ministry in a written reply stated as under:

"The conduct of high quality action researches is a time consuming process. Funds are released when the researches are completed satisfactorily."

1.51 Regarding the number of projects sanctioned so far since the inception of the scheme, the Ministry provided the following information:

"A total of 66 study projects have been sanctioned so far since the inception of the scheme in 2007-08. The number of studies sanctioned year wise may be seen below:

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	6
7	2013-14	4
8	2014-15	1
TOTAL		66

1.52 Asked about the details on how funds are released under the scheme, the Ministry in a written reply stated as under:

"Funds are released for the study projects approved by the Research Advisory Committee (RAC) in three installments of 50:30:20. The first installment of 50% is released after the concerned organization submits the structure & content of the proposed report, methodology of study, details of project team, time lines of various stages of study / report. The second installment of 30% is released on furnishing of mid term progress report containing first draft report and making a presentation on the study, a certificate of utilization of more than 80% of the funds released verified by a chartered accountant, an item wise statement of account. The third (final) installment of 20% is released on furnishing of 10 copies of the final report along with the soft copy in a C.D. on the project on approval of the report after making a final presentation and incorporating the suggestions (if any) in the final report, certificate of utilization of the funds sanctioned verified by a chartered accountant, statement of account

indicating the actual expenditure incurred, after making a final presentation and incorporating the suggestions (if any) in the final report."

1.53 Regarding the priorities of the Ministry during the current financial year under the scheme, the Ministry in a written reply stated as under:

"Recently the 14th Finance Commission report has been accepted by the Government of India, wherein a lot of funds will be released to the Gram Panchayats. The Ministry will be undertaking studies on the work being undertaken by the Gram Panchayats for the optimal utilization of these amounts."

PART II**OBSERVATIONS/ RECOMMENDATIONS OF THE COMMITTEE*****Demands for Grants for 2015-16***

2.1 The Committee note that the detailed Demands for Grants (2015-16) of the Ministry of Panchayati Raj under Demand No. 71 were presented to Lok Sabha on 19.03.2015. Under Demand No.71, the Ministry of Panchayati Raj has been allocated sum of Rs. 94.75 crore for the financial year 2015-16 in which Plan Outlay is Rs. 94 crore and non-plan outlay is Rs. 0.75 crore. The Committee endorse the same. The Committee have examined the Demands of the Ministry of Panchayati Raj for the year 2015-16. The Observations/Recommendations of the Committee have been set out in the succeeding paragraphs.

2.2 The Committee while scrutinizing the detailed Demands for Grants of the Ministry are dismayed to note that there has been a substantial cut of about 98.65 per cent in the Plan outlay allocated for 2015-16 as compared to the previous year 2014-15 outlay. The Committee observe that the allocated outlay of Rs. 94.75 crore for the current financial year 2015-16 is Rs. 6905.95 crore lesser than the previous year 2014-15 B.E of Rs. 7000.70 crore and Rs. 3305.94 crore lesser than the previous year 2014-15 R.E of Rs. 3400.69 crore. The Committee are astonished to note that the funds proposed by the Ministry for the plan schemes for 2015-16 are Rs.10150.00 crore, but the funds provided to the Ministry are of a very meager amount of Rs.94.00 crore. The Committee are apprised that the reasons for such drastic reduction in the budgetary allocation

is that from 2015-16, the two major schemes of BRGF and RGPSA of the Ministry have been delinked from support from the Centre except for the National component of RGPSA and that the schemes have now been transferred to the States for implementation from their own resources and also from the funds to be given to the Panchayats as per the recommendations of the 14th Finance Commission. Further, the Secretary, Ministry of Panchayati Raj also submitted that the reason for the extremely low budget is due to the high level of devolution both to the Gram Panchayats and to the State governments.

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

2.3 The Committee are further apprised that the Ministry has initiated the process of consultation with experts regarding the priorities and interventions of the Ministry in supporting Panchayati Raj and with the given reduced outlay for the fiscal 2015-16, the Ministry can focus only on providing technical support/inputs to the states; hold some meetings and conduct very small training programmes at the national level. The Committee are informed that the Ministry of Finance has been requested to enhance allocation at least for the capacity building. The Ministry has stated that an advisory will be issued to States for completion of the already approved projects under the schemes which have been transferred to the states. Keeping in view the urgent need for capacity building of panchayats for strengthening the Panchayati Raj Institutions across the country, the Committee are constrained to note that the reduced allocation of funds of merely Rs.94.75 crore for the fiscal year 2015-16 is not adequate for the purpose. Since the budgetary allocation for the current

financial year is extremely on the lower side, the Committee strongly recommend that the Ministry should vigorously pursue the matter with the Ministry of Finance and Niti Ayog for considering enhanced budgetary allocation of funds atleast for the capacity building of panchayats for strengthening the panchayati raj institutions all over the country. The Committee also recommend the Ministry to expedite the process of consultation with experts regarding the interventions and priorities of the Ministry in supporting panchayati raj and the outcome thereof may be apprised to the Committee. The Committee desire that the Ministry should facilitate for supporting the States in completion of the already approved projects that are underway and also persuade the States in strengthening of Panchayati Raj Institutions all over the country.

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

Utilisation of funds

2.4 The Committee are dismayed to note that for the year 2014-15, Rs. 7000.00 crore was allocated to the Ministry at BE stage for the Plan component which was reduced to Rs. 3400.00 crore at RE stage. 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. 5900.00 crores at BE stage to Rs. 2837.00 crores at RE stage. The Committee are not convinced with the reasons for such reduction being slow pace of releases in 2014-15 due to late submission of proposals by States and non-submission/discrepancies in documents like Utilization Certificates,

physical & financial reports and audit reports. The Committee further observe that allocation for the RGPSA scheme was reduced from Rs. 1050 crore at BE stage to Rs. 527 crore at RE stage. The Committee are constrained to note that such reductions have adversely impacted the progress of works under these schemes, like under BRGF, 87 districts out of 272 could not be considered for release of first instalment itself and 17 States could not claim the Capacity Building grant and that the reduction in budgetary allocation under RGPSA scheme has led to short release of first installment of Central share in respect of State of Telangana and that requests from some States for release of second instalment could not be considered. The Committee feel that the Ministry could have been pro-active in persuading the states for timely submission of proposals which could have avoided such reduction in the allocations, Since the schemes of BRGF and RGPSA have now been transferred to the States, the Committee desire that the Ministry will make earnest efforts to pursue with the States to ensure completion of the works already undertaken and ensure optimum utilisation of funds already sanctioned under both the Schemes.

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

Fourteenth Finance Commission Grants

2.5 The Committee note that as per the recommendations of the Fourteenth Finance Commission, Panchayats have been granted Rs. 2,00,292.2 crore for the period 2015-20. The Committee are apprised that this allocation is three times more than the amount allocated under the Thirteenth Finance Commission and these grants will be released by the Ministry of Finance to the

States who will release these to Panchayats for undertaking various activities for improving the status of basic civic services. The Committee are constrained to note that Gram Panchayats across the country are ill-equipped in human resources, training and infrastructure to handle the enormous increase in grants without proper supervision and assistance. The Committee further note that the States also lack adequate training infrastructure and depend on Central funds for training. The lack of sufficient power, broadband connectivity, manpower and capacity are stated to be the common challenges faced by many panchayats in the country. The Committee are apprised that the Ministry intends to initiate a process of consultations with the State Governments, Ministry of Finance, the office of Comptroller & Accountant General and other partners to create an acceptable framework for facilitating the utilization of the devolved grants and the role of the Ministry will depend on the guidelines issued by the Department of Expenditure. The Committee therefore, recommend the Ministry to expeditiously initiate consultations with the State Governments, Ministry of Finance, office of Comptroller and Accountant General and others concerned for creation of an appropriate framework to facilitate optimum utilization of grants awarded by the Fourteenth finance Commission to the Panchayats and also intensify the system of monitoring of appropriate utilization of the devolved grants to the panchayats. The Committee may be apprised of the action taken in the matter. The Committee further recommend the Ministry to persuade the States to institutionalize the strengthening of Panchayati Raj Institutions in the States and focus on bringing

quality and depth to the capacity building effort and also intensify the monitoring.

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

Unspent Balances

2.6 The Committee are constrained to note that there are huge amounts lying unspent in the schemes of the Ministry during 2014-15 especially under BRGF. In this regard, the Committee note that as on 31.12.2014, Rs. 5129.48 crore was lying unspent which includes Rs. 4524.94 crore under BRGF. The Committee have been apprised that as the BRGF and RGPSA schemes are transferred to the States, the Ministry would write to the states about the unspent money for the already approved projects and issue an advisory to ensure that the approved projects are completed so that there is no infructuous expenditure. The Committee while appreciating the efforts in this regard, desire the Ministry to expedite the issue of an advisory for completion of the already approved projects and specific action taken by the Government in the matter may be apprised to the Committee.

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

Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)

2.7 The Committee note that the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) was launched during the Twelfth Five Year Plan to strengthen the Panchayati Raj system across the country by subsuming the erstwhile small

schemes of Panchayat Mahila Evam Yuva Shakti Abhiyan (PMEYSA), Rashtriya Gram Swaraj Yojana (RGSY), e-Panchayat, Panchayat Empowerment and Accountability Incentive Scheme (PEAIS). Under the scheme, funds were provided for technical and administrative support at the Gram Panchayat level, construction and repair of Gram Panchayat buildings, capacity building and training of Elected Representatives (ERs) and Panchayat functionaries, institutional structure for capacity building, e-enablement of Panchayats, funds for Panchayats with inadequate resource base, special support for Panchayats in PESA areas, strengthening State Election Commissions (SECs), Information, Education and Communication (IEC) activities and programme management. The scheme was funded in the ratio of 75:25 by Centre and State Governments. The Committee also note that from 2015-16, RGPSA scheme has been transferred to the States, except for a National component for which Rs. 60.00 crore has been allocated. The Committee have been informed that the meagre allocation of Rs. 60.00 crore is inadequate to provide capacity building requirements for 30 lakh elected representatives across the country and with the present allocation, the Ministry would be able to provide only for some training at the national levels and develop some software or panchayats. The Committee are apprised that the Ministry of Panchayati Raj have formally requested the Ministry of Finance to enhance the budgetary allocation to Rs. 1,325.00 crore to achieve at least the previous level of capacity building. Taking into account the importance of capacity building of the elected representatives of Gram Panchayats across the country including adequate

training infrastructure, planning for basic services keeping in view the needs of the marginalised, access to administrative and technical manpower, support strengthening of gram sabhas to approve plans, conduct social audit, revenue generation, etc. and particularly with the Fourteenth Finance Commission Grants being released directly to Panchayats, the Committee strongly recommend that the Ministry should earnestly pursue with the Ministry of Finance and Niti Ayog to consider the requirement of higher funds for the Ministry of Panchayati Raj for strengthening of Panchayats all over the country.

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

Media and Publicity

2.8 The Committee note that the scheme of Media and Publicity aims at effective communication through the electronic and the print media for advocacy and publicity regarding Panchayati Raj as well as for building the capacities of panchayats and enhancing their performance. Under the scheme, the BE allocation of Rs. 20 crores for 2014-15 was reduced to Rs. 10 crores at RE stage out of which only Rs. 2.55 crore has been utilized. The BE allocation for 2015-16 has been reduced to Rs. 5 crores which is Rs. 15 crores lesser than the previous year's B.E. The Committee have been informed that the reason for low utilization of funds is due to the fact that 35 short films have been commissioned for training purposes in 2014-15 and since the process of film production is long, funds would be released after the films are finalized. As the scheme is aimed at creating awareness regarding Panchayati Raj by reaching out to multiple and diverse target groups including the rural populace, the

Committee desire that the Ministry should make all out efforts to disseminate information through the print and electronic media alongwith traditional forms of mass communication by expediting full utilization of funds within the financial year so that funds are not reduced drastically and the capacities of Panchayats are enhanced.

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

Action Research and Research Studies Scheme

2.9 The Committee note that the Action Research and Research Studies Scheme provides financial support to Academic Institutions and Research Organisations having specialized experience in research and evaluation in the areas of Panchayati Raj. Against the BE allocation of Rs. 3 crore in 2014-15, the RE allocation was Rs.2 crore out of which the actual expenditure was Rs. 0.36 crore. The reasons for such low utilization of funds are stated to be mainly the time consuming process involved in conducting high quality action researches and funds are released after the researches are completely satisfactorily. The BE allocation for 2015-16 is Rs. 2 crore. The Committee are apprised that since the inception of the scheme, 66 study projects have been sanctioned out of which 1 study project was sanctioned in 2014-15. The Committee are also apprised that the Ministry would be undertaking studies on the works being undertaken by the Gram Panchayats for the optimal utilization of the funds proposed to be released to the Gram Panchayats under the Fourteenth Finance Commission Grants. The Committee while acknowledging the efforts made

under the scheme, urge the Ministry to ensure full and optimum utilisation of funds so that the sanctioned studies are successfully completed on time and facilitate for better policy formation in Panchayati Raj.

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

NEW DELHI;
22 April, 2015
2 Vaisakha, 1937 (Saka)

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

STANDING COMMITTEE ON RURAL DEVELOPMENT
(2014-2015)

**MINUTES OF THE SEVENTEENTH SITTING OF THE COMMITTEE HELD ON THURSDAY,
THE 26 MARCH, 2015**

The Committee sat from 1400 hrs. to 1430 hrs. in Committee Room No. 'G-074', Ground Floor, Parliament Library Building, New Delhi.

PRESENT

Dr. P. Venugopal

-

Chairperson

Members

Lok Sabha

2. Shri Sisir Kumar Adhikari
3. Shri Jugal Kishore
4. Shri Manshankar Ninama
5. Shri Mahendra Nath Pandey
6. Shri Prahlad Singh Patel
7. Shrimati Butta Renuka
8. Dr. Yashwant Singh
9. Shri Ladu Kishore Swain
10. Shri Ajay Misra Teni
11. Adv. Chintaman Navasha Wanaga
12. Shri Vijay Kumar Hansdak

Rajya Sabha

13. Shri Gulam Rasool Balyawi
14. Shri Ram Narain Dudi
15. Shri Mahendra Singh Mahra
16. Shri A.K.Selvaraj
17. Shrimati Kanak Lata Singh

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 S.M.Vijayanand | - | Secretary |
| 2. | Smt. Seema Bahuguna | - | AS & FA |
| 3. | Shri A.K.Goyal | - | Additional Secretary |
| 4. | Smt. Rashmi Shukla Sharma | - | Additional Secretary |
| 5. | Shri Sushil Kumar | - | Joint Secretary |
| 6. | Smt. Neerja Sekhar | - | Joint Secretary |
| 7. | Smt. Sarada G. | - | Joint Secretary |
| 8. | Shri G.P.Gupta | - | Chief Controller of Account (CCA) |
| 9. | Shri Maha Bir Pershad | - | Director |
| 10. | Shri Dilip Kumar | - | Director |
| 11. | 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 (2015-16) 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 the substantial reduction in the Ministry's budgetary allocation for the financial year 2015-16 due to the transfer of the schemes of BRGF and RGPSA to the States, unspent balances under the major schemes of Backward Regions Grant Fund (BRGF) and Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) and the status of their implementation. After permission from the Chairperson, the Secretary, Ministry of Panchayati Raj made a Power Point presentation on various issues viz. role of the Ministry of Panchayati Raj in supporting the States for strengthening Panchayats, outlay for Twelfth plan and for 2015-16, recommendations of the Fourteenth Finance Commission which provides Rs. 2,00,292.2 crore grant for Panchayats, inadequate infrastructure and trained representatives in Gram Panchayats and the need for strengthening of Panchayats etc. The Committee sought clarifications especially regarding continuation of the schemes of BRGF and RGPSA by the States, steps taken for increasing the budgetary allocation of the Ministry 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 TWENTIETH SITTING OF THE COMMITTEE HELD ON
TUESDAY, THE 21 APRIL, 2015**

The Committee sat from 1500 hrs. to 1520 hrs. in Committee Room 'B', Ground Floor, Parliament House Annexe (PHA), New Delhi.

PRESENT

Dr. P. Venugopal -- *Chairperson*

MEMBERS**LOK SABHA**

18. Shri Harish Chandra Chavan
19. Shri Manshankar Ninama
20. Shri Prahlad Singh Patel
21. Shrimati Butta Renuka
22. Dr. Yashwant Singh
23. Shri Ladu Kishore Swain
24. Shri Ajay Misra Teni
25. Adv. Chintaman Navasha Wanaga
26. Shri Vijay Kumar Hansdak

RAJYA SABHA

11. Shri Gulam Rasool Balyawi
12. Shri Mahendra Singh Mahra
13. Dr. Vijaylaxmi Sadho
14. Shrimati Kanak Lata Singh

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 |

2. At the outset, the Chairperson welcomed the members of the Committee to the sitting convened for consideration and adoption of three Draft Reports on Demands for Grants (2015-16) of the *** ** and Ministry of Panchayati Raj. After discussing the Draft Reports, the Committee adopted all the above three Draft Reports without any modifications. The Committee also authorized the 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.