

STANDING COMMITTEE ON RURAL DEVELOPMENT

(2018-2019)

57

SIXTEENTH LOK SABHA

MINISTRY OF PANCHAYATI RAJ

[Action taken report on the Observations/Recommendations contained in Fiftieth Report on 'Improvement in the functioning of Panchayats' pertaining to Ministry of Panchayati Raj.]

FIFTY SEVENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

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Presented to Lok Sabha on 31 December, 2018

Laid in Rajya Sabha on 31 December, 2018



LOK SABHA SECRETARIAT

NEW DELHI

December, 2018/ Pausa, 1940 (Saka)

CRD No. 154

Price : Rs.

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

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COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (2018-2019)

Dr. P. Venugopal -- *Chairperson*

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^ Vacant due to resignation of Shri Balka Suman from the Membership of Lok Sabha w.e.f. 17.12.2018
\$ Nominated to the Committee w.e.f. 19.11.2018 vice Shri Javed Ali Khan

INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2018-2019) having been authorised by the Committee to present the Report on their behalf, present the 57 Report on the action taken by the Government on the recommendations contained in the 50th Report of the Standing Committee on Rural Development (16th Lok Sabha) on 'Improvement in the functioning of Panchayats' pertaining to Ministry of Panchayati Raj.

2. The Fiftieth Report was presented to Lok Sabha on 19 July, 2018 and was laid on the Table of Rajya Sabha on the same date. Replies of the Government to all the recommendations contained in the Report were received on 24th October, 2018.

3. The Report was considered and adopted by the Committee at their sitting held on 27 December, 2018.

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

NEW DELHI;
27 December, 2018
06 Pausa, 1940 (Saka)

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

CHAPTER I

REPORT

This Report of the Standing Committee on Rural Development (2018-19) deals with the action taken by the Government on the Observations/Recommendations contained in their Fiftieth Report (Sixteenth Lok Sabha) on 'Improvement in the functioning of Panchayats'.

2. The Fiftieth Report was presented to Lok Sabha on 19 July, 2018 and was laid on the Table of Rajya Sabha on the same date. The Report contained 11 Observations/Recommendations.

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

- (i) Observations/Recommendations which have been accepted by the Government:
Serial Nos. 1, 4, 5, 6, 8, 9, 10 and 11

Total:08
Chapter-II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of replies of the Government:
Serial No. NIL

Total: 00
Chapter-III

- (iii) Observation/Recommendation in respect of which replies of the Government have not been accepted by the Committee:
Serial No. 2 and 3

Total: 02
Chapter-IV

- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:
Serial No. 7

Total:01
Chapter-V

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

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

(Recommendation Serial No. 2, Para No. 2)

Devolution of Powers

The Committee in their afore-said recommendation had recommended as under:-

6. "The Committee note that 'Panchayats' being a State subject, the devolution of powers and authority to Panchayats has been left to the discretion of States. The profile of devolution thus varies across the States. The Ministry is also encouraging States to devolve powers (3Fs i.e. Funds, Functions and Functionaries) to the Panchayati Raj Institutions (PRIs) through incentive schemes. The Ministry is also actively promoting the Gram Sabhas for robust and vibrant functioning of the PRI system and has issued comprehensive guidelines/ instructions for their effective functioning and to hold regular meetings. However, the Committee observed that in reality even the mandatory Gram Sabha meetings are not taking place or are attended by very few people especially women representatives. The Committee, thus, strongly recommend that MoPR should impress upon all the State Governments to put quorum in the Gram Sabha meetings for participation of Panchayat representatives and women representatives. The Committee also note that subjects like fuel and fodder, non convention energy sources, rural electrification including distribution of electricity, audit and non-formal education, small scale industries including food processing industries, technical training and vocational education have not been devolved in certain States and therefore, the Committee recommends that MoPR should pursue the States to devolve these subjects for giving Panchayats more power in these areas. The Committee recommend that State Governments should make vigorous efforts to devolve funds, functions and functionaries (3Fs) to Panchayats so that they are able to effectively plan economic development and social justice schemes. The Committee further desire that the States may also be requested to share the extent of devolution with each other for over-all development of rural India."
7. The Ministry in their Action Taken Reply have stated as under:-
- "Article 243(b) of the Constitution defines Gram Sabha as a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of a Panchayat at the village level.

The statutory provisions relating to minimum attendance, quorum for convening Gram Sabha or frequency of meetings of Gram Sabhas vary from State to State as provided in their respective Panchayati Raj Acts. To make the Gram Sabha more effective, this Ministry issued advisory to the States for ensuring conduct of minimum four meetings of the Gram Sabhas in a year on specified dates. This Ministry has actively promoted the crucial role of the Gram Sabha for the robust and vibrant functioning of Panchayati Raj system. Ministry has from time to time, issued comprehensive guidelines, advisories, instructions etc for the effective functioning of the Gram Sabha and for holding regular meetings of Gram Sabhas. Details of guidelines, advisories, instructions issued to States are as under-

- Guidelines for the effective functioning of the Gram Sabha (dated 2nd October 2009)
- Letter to hold regular meetings of Gram Sabha and Quorum for the women's presence (dated 4th February 2011)
- Guidelines for accountability of the delivery mechanism (dated 8th December 2011)
- Letter to hold special Gram Sabha on Women (dated 10th September 2012)
- Holding special Gram Sabha meetings on Nutrition and Child Sex Ratio (dated 25th April 2014)
- Letter regarding Swatchh Panchayat Sapath (16th September 2014)
- Letter on prohibition of Employment as Manual Scavengers and their rehabilitation (dated 15th February 2015)

Further, a People's Plan Campaign has been rolled out as 'Sabki Yojana Sabka Vikas' from 2nd October, 2018 to 31st December 2018 throughout the country. During the campaign, structured Gram Sabha meetings is to be held for preparing Gram Panchayat Development Plan (GPDP) for the next financial year i.e. 2019-20, where frontline workers of all line Departments relating to 29 subjects listed in the Eleventh Schedule of the Constitution will make a detailed presentation regarding their Department activities. These will then be incorporated in the GPDP planning process after discussion by Gram Sabha. 'Sabki Yojana Sabka Vikas' is thus a partnership of Local, State and Central Government and the intention is to make the planning process for GPDP more comprehensive, effective and participatory.

'Panchayat' being 'Local Bodies' is a state subject mandated under Part IX and List II (State List) of Seventh Schedule (Article 246) of the Constitution of India. Article 243G of Part IX of the Constitution allows discretion to State Legislatures to endow the Panchayati Raj Institutions (PRIs) with powers and authority to enable them to function as institutions of local self-governance including in areas illustratively listed in the Eleventh Schedule of the Constitution. There is variation in the extent of devolution of functions to PRIs in states. The Ministry of Panchayati Raj (MoPR)

has continuously persuaded the State Governments to devolve powers to Panchayats and also supported States/UTs through incentivisation, regular reviews and by providing assistance for capacity building of Panchayats to enable them to perform devolved functions effectively and efficiently. From time to time, MoPR undertake the preparation of an annual study on Panchayat Devolution Index (PDI) from 2006 onwards, through independent institutions, to assess where each State stands in the matter of devolution of power (3Fs-Funds, Functions and Functionaries) and to rank States on the enabling environment that has been created in the States under the framework of the Constitution. These reports were shared with States to enable them to compare the extent of devolution with each other."

Comments of the Committee

8. The Committee had recommended that the State Government should make vigorous efforts to devolve funds, functions and functionaries to Panchayats so that they are able to effectively plan economic development and social justice schemes. In the Action Taken Reply the Ministry have stated that they are persuading and encouraging the State Governments through incentive to devolve powers. The Committee have, however, not been provided with any data informing them about the results or achievements made through the efforts of the Ministry. The Committee have further been informed that a People's Plan Campaign has been rolled out as 'Sabki Yojana, Sabka Vikas' from 2 October, 2018 to 31 December, 2018 throughout the country. However, the Committee fail to understand as to why the Campaign has been rolled out for such short period rather the Committee feel that Campaign Programme should be done for a longer period to have some positive effect on Gram Panchayats country-wide. The Committee desire that the efforts of the Ministry should be result oriented and, therefore, it reiterates its recommendations regarding devolving of funds, functions and functionaries (3Fs) to Panchayats so that they are effectively able

to implement various Social Service Schemes and economic development plans for the rural areas.

[O.M. No.H-11013 /8/2018-Parl., dated 24 October, 2018]

(Recommendation Serial No. 3, Para No. 3)

Funding of Panchayats

9. The Committee in their afore-said recommendation had recommended as under:-

"The Committee note that the Finance Commission Grants (FFC) plays a very important role in helping and promoting the schemes and its implementation by the Panchayats in the country. For the award period 2015-2020, the Fourteenth Finance Commission has devolved grants of Rs.2,00,292.00 crores to the Gram Panchayats. The Committee note that the FFC grants were sub-divided into two parts i.e. Basic Grants (90%) and Performance Grants (10%) w.e.f. 2016-17. The Basic Grant is mandatorily to be released within 15 days to GPs by the States after it being credited to their account by the Union Government whereas the release of Performance Grants is subject to fulfillment of certain conditions. The Committee further note that for the first time, the Fourteenth Finance Commission grants have been decided to be given directly to Gram Panchayats and the grant is more than three times the Thirteenth Finance Commission grant (2010-15). The Committee are appreciative of this initiative. The Committee note that the Thirteenth Finance Commission Grants were not fully released and fell short of Rs.6,904.10 crores against the total allocation which was at Rs.65,160.71 crores. The Committee desire to be apprised of the reasons for the lesser release of grants and its impact on the effective and efficient implementation of schemes by the Panchayats.

The FFC Grants provided are intended to be used to support and strengthen the delivery of basic services including water supply, sanitation, sewerage and solid waste management and any other basic service within the functions assigned to them under relevant legislations. The Committee are unhappy to note that some State Governments have delayed in releasing funds to Panchayats and subsequently they had to pay the Panchayats interest and wherever Panchayats are not being audited, the grants are not released to them. The Committee therefore, strongly recommend that the Ministry should monitor the release and expenditure of FFC Grants to ensure that there is no delay in the release of the FFC grants and it should also be ensured that the money distributed through FFCs should be done in a prudent manner and also ensure that the utilization of the grants should be done in proper and effective manner. The Committee recommend that MoPR should interact with the State Governments to release funds to Panchayats on time and encourage Panchayats to carry out local audit regularly so that release of FFC Grants are not delayed.

The Committee hope that MoPR would examine the matter along with State Governments for streamlining and simplifying all the related procedures."

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

"In respect of lesser release of grants under Thirteenth Finance Commission (FC-XIII), it may be stated that FC-XIII had recommended grants to Rural Local Bodies (which includes all tiers of Panchayats) in two parts namely (i) Basic Grant and (ii) Performance Grant. These grants were to be released subject to fulfillment of various conditionalities as stipulated in the Guidelines issued by the Department of Expenditure for implementation of FC-XIII recommended Local Body Grants including recommendation from the MoPR for the release of Performance Grant. Non-compliance by some of the States to the stipulated guidelines within the award period of the FC-XIII resulted in lesser release of the recommended grant.

Further, in order to ensure that funds under FFC are released promptly and without any delay, the Ministry of Finance, Department of Expenditure vide the Guidelines issued on 8th October, 2015 has laid down the express condition that the States should release the Grants to the Gram Panchayats within fifteen days of being credited to their account by the Union government. There should not be any deductions at source from the grants due to the local bodies. In case of delay, the State Government must release the instalment along with interest at the Bank rate of Reserve Bank of India paid from its own funds and a certification to this effect will be reflected in the Utilisation Certificate (UC) to be furnished by the State Government. Release of second and subsequent instalments of grants (both Basic & Performance) will be subject to receipt of UC for the previous instalment in the prescribed format and compliance to the stipulated guidelines. This Ministry is constantly monitoring the release and expenditure of FFC grants to ensure that there is no delay in the release of the FFC grants by the State governments and to ensure that the money distributed should be done in a prudent manner and utilization of the grants be done in proper and effective manner so that basic services are provided in the GPs in time. The details of the defaulting States is given in Annexure-I.

Moreover, the Ministry is constantly interacting with the State Governments and impressing upon them to release funds to Gram Panchayats on time and encouraging them to carryout local audit regularly to avoid delay in release of FFC funds through reminders, meetings, visit of Senior Officers of the Ministry to the States. As a part of its constant monitoring, the Ministry has conducted a Common Review Mission (CRM) in 2017 to assess the effectiveness of release and utilization of FFC grants in eight states viz., Assam, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Odisha, Uttar Pradesh and Telangana. The CRM teams comprising of domain experts from reputed institutions/organizations assisted by a consultant from MoPR for each state, visited at least two Gram Panchayats each in two districts (one relatively developed and the other relatively backward) in the eight states.

The teams interacted with various stakeholders – Panchayat representatives, functionaries, community members, district and the State officials along with civil society and academia to get an overall understanding of utilization of FFC funds in Panchayats."

[O.M. No.H-11013 /8/2018-Parl., dated 24 October, 2018]

Comments of the Committee

11. The Committee in their earlier recommendation had recommended that Ministry should effectively monitor the release and expenditure of FFC grants to ensure that there is no delay in the release of the FFC grants and it should also be ascertained that the money distributed through FFCs should be done in prudent manner and the utilization of the grants should be done in proper and effective manner. The Committee note that still there are 11 defaulting with some States delaying the release of funds for more than one year and paying hefty interest. The Committee also note that though Ministry are constantly interacting with the State Governments and impressing upon them to release funds to Gram Panchayats on time and encouraging them to carry out local audit regularly to avoid delay in release of FFC funds, however, the data submitted to the Committee speaks otherwise. The Committee desire that the Ministry should examine the reasons as to why some States are lagging behind in the release of funds and then take corrective measures so that release of FFC Grants are not delayed. The Committee also expect that Common Review Mission (CRM) done in 2017 to assess the effectiveness of release and utilization of FFC Grants in 8 States have proven to be fruitful and given a better understanding of utilization of FFC grants in Panchayats. The Committee also further, recommend that CRM programme should also be undertaken to help the defaulting States to generate

timely Utilization Certificate in the prescribed format and compliance with the stipulated guidelines for timely release of FFC grants.

(Recommendation Serial No. 7, Para No. 7)

Gram Panchayat Development Plan (GPDP)

12. The Committee in their afore-said recommendation had recommended as under:-

"The Committee note that MoPR has supported States to develop State specific guidelines for Gram Panchayat Development Plan (GPDP) which converges all the resources over which the Panchayats have command including FFC funds, MGNREGS funds, Swachh Bharat funds etc. The GPDP are also an opportunity for the community to be engaged in solutions for development issues. The Committee were also informed that the preparation of GPDP has been very successful as against 1,35,590 GPDP in 2015-16, 2,44,042 GPDP were prepared in 2016-17. 1,91,864 GPDPs have already been prepared in 2017-18. The Committee further note that scope of GPDP include poverty reduction, human development, social development, economic development, ecological development and basic services. The Committee note that although the NGOs and academic institutions are being involved in forming of GPDP, however, the Committee desire that suggestions and ideas of MPs, MLAs, local representatives and people across sections of society should be taken during the formation of GPDPs for making better plans and also involving all the stakeholders in the process of making of GPDPs. The Committee also appreciate the progress made in this area and hope that this pace and momentum is maintained through the involvement of more and more Gram Panchayats in making of GPDPs."

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

"With the objective of preparation of comprehensive and meaningful Gram Panchayat Development Plan (GPDP) for the year 2019-20, the Ministry of Panchayati Raj in association with Ministry of Rural Development has roll out People's Plan Campaign "Sabki Yojana Sabka Vikas" during 2nd October – 31st December, 2018. The Campaign will be an intensive and structured exercise for planning at the level of Gram Sabha through convergence between PRIs, SHGs and concerned line department of States. The convergence with the women SHGs in the planning process has been necessitated in view of the fact that their involvement will lead to increased community ownership of the programme and also to ensure that GPDPs are inclusive and represent the interest of all stakeholders particularly the vulnerable sections. The SHGs are also suppose to participate in subsequent implementation, monitoring and social audit of GPDP activities, thereby resulting in planning and implementation of GPDPs which are more people oriented and inclusive.

Effort has been made to involve all the concerned stakeholders from Grassroot level upto the Central Ministries in the process of formulation of the GPDP for 2019 i.e. Sabki Yojana Sabka Vikas. Concerned Central Ministries would be making full public disclosure of Gram Panchayat wise interventions being made. Women Community Resource Persons from Self Help Groups and trained Social Auditors will be involved as Facilitators for Gram Sabha meeting. Since MLAs and MPs are associated with District / Block Level Panchayats, their involvement is envisaged through these institutions.

The Annual Action Plan related to Capacity Building and Training of PRIs and their stakeholders will be based on the requirements of the Panchayats as per the Framework of Implementation of RGSA. This Framework also provides of establishment of a State Advisory Committee headed by the Minister of Panchayati Raj in State which will have Minister of Rural Development and Minister for Drinking Water of the concerned State as Member. The overall policy direction of the scheme will be provided by an empowered National Steering Committee (NSC) under the Chairmanship of the Hon'ble Minister of Panchayati Raj which will have as Members, Central Minister of State for Rural Development, Central Minister of State for Drinking Water & Sanitation and also Ministers for Panchayati Raj from two well performing States.

Further, with a view to address the new challenges as well as opportunities that need to be addressed and incorporated into the GPDP to reach out and fulfil the development aspirations of the rural people through effective decentralised participatory planning by the rural local governments, Ministry has constituted a multi sectoral committee to review/revise the Model GPDP guidelines issued during 2015. The committee based on iterative discussions with different stakeholders has finalised the Revised guidelines .The revised guidelines will be shared with States for further necessary action."

[O.M. No.H-11013 /8/2018-Parl., dated 24 October, 2018]

Comments of the Committee

14. The Committee with regard to Gram Panchayat Development Plan (GPDP) had recommended that it should include Members, MLAs, Local Representatives etc. during the formation of GPDPs for making effective plans and also involving all the stakeholders in the process of making of GPDPs. The Ministry in their Action Taken Reply have stated that Ministry of Panchayati Raj in association with Ministry of Rural Development has rolled out People's Plan Campaign 'Sabki Yojana Sabka Vikas' during 2 October, 2018 to 31 December, 2018. In this regard,

the Committee note that since MPs and MLAs are associated with District/Block level Panchayats, their involvement is envisaged through Gram Sabha and SHGs but the onus is being given more to SHGs women Community Resources persons and trained Social Auditors. The Committee feel the involvement of the local representatives such as MPs and MLAs should be defined and given importance as one of the main elements in the convergence process for better planning and implementation of GPDPs.

The Committee also note that in their Action Taken Reply, the Ministry have stated that to address new challenges as well as opportunities that need to be addressed and incorporated into the GPDP, Ministry of Panchayati Raj has constituted a multi sectoral Committee to review/revise the model GPDP guidelines issued during 2015. The multi-sectoral Committee based on iterative discussions with different stakeholders has finalised the revised guidelines and the revised guidelines will be shared with States for further necessary action. The Committee hope that the revised guidelines will be shared with the States at the earliest for States to take necessary action and desire to be apprised of the outcome in the matter.

CHAPTER II

RECOMMENDATION WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

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

Importance of Panchayati Raj

The Committee observe that the Panchayati Raj system plays a very important role in local development and solving the problems of common people in the democratic system in the country. The Panchayati Raj system has been an integral part of our culture and civilization and after independence, the participation of local people for development of rural areas was provided in Indian Constitution. Through 73rd Amendment Panchayati Raj system has been made mandatory. The Committee feel that decentralization and giving power to the grassroot level is very important for the active participation of the rural masses. It leads to enhanced transparency and accountability. The Committee are satisfied to note that there are reservation of seats for disadvantaged/ marginalized sections and also for women. The Committee will now be taking up issues in the subsequent paras.

Reply of the Government

"The objective of Panchayati Raj System is to attain decentralized & participating local self-government through Panchayati Raj Institutions (PRIs). As per the mandate of 73rd Amendment, 'Panchayat' have been playing vital role in preparation of plans & implementation of schemes for economic development & social justice in effective & efficient manner to meet the aspirations of rural population in India."

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

Recommendation (Serial No. 4, Para No. 4)

Capacity Building - Panchayat Sashaktikaran Abhiyan (CB-PSA)

The Committee observe that Ministry of Panchayati Raj has been providing programmatic support for strengthening of PRIs, improvement in the functioning of Panchayats, advocacy support for inter-ministerial and multi-sectional coordination and capacity support for enhancing devolution of PRIs and finding solution for local governance and outreach through Capacity Building Panchayat Sashaktikaran Abhiyan (CB-PSA). The Committee also note that the "Rajiv Gandhi Panchayat Sashaktikaran

Abhiyan (RGPSA)" was implemented under the 12th Five Year Plan from 2012-13 to 2015-16 and funds to the tune of Rs.1,253 crore has been released to the States upto 2015-16 towards addressing issues such as inadequate infrastructure, manpower training, advocacy of devolution of power to Panchayats etc. However, since year 2015-16 the State component of scheme was delinked from central support. Now larger funds were made available to Gram Panchayats under FFC award and under the scheme there is provision for capacity building, training infrastructure, HR, HR for PESA, e-Governance and for programme management cost etc. The Committee in this regard are happy to note that MoPR are making efforts to strengthen Panchayati Raj Institutions (PRIs) by way of capacity building of the PRIs and its functionaries. The Committee, however, feel that the strengthening of PRIs through their capacity building and training should be given more encouragement from Centre and the State Governments so that they are enabled to prepare better Gram Panchayat Development Plans (GPDPs) as well as to provide information on various government schemes and Panchayats become more responsive towards citizen's needs.

The Committee further, observed that there is sever lack of support staff and personnel in the Panchayats such as Panchayat Secretary, Junior Engineers, Computer Operator, Data Entry Operators, Audit Account Staff etc. of Panchayats at the ground level and in delivery of services done by Panchayats. The Committee therefore, strongly recommend that MoPR should make serious efforts in recruitment and appointment of the support staff and technical staff so that smooth functioning of Panchayats is ensured.

Reply of the Government

"As noted by Committee, this Ministry has been giving substantial priority to strengthen Panchayati Raj Institutions (PRIs) by way of Capacity Building of the PRIs and their functionaries. The State Governments are also being regularly sensitized and enabled in this direction to prepare better Gram Panchayat Development Plan (GPDP) and becoming more responsive towards citizens needs. This Ministry has launched the Centrally Sponsored Scheme of Rashtriya Gram Swaraj Abhiyan (RGSA) w.e.f. the current financial year with the primary aim of strengthening PRIs for achieving Sustainable Development Goals (SDGs) with main thrust on convergence with Mission Antyodaya and emphasis on strengthening PRIs in the 117 Aspirational districts as identified by NITI Aayog. The outcome of the Scheme will be enhanced capabilities of Panchayats for good governance and attainment of SDGs through participatory local planning, democratic decision-making, transparency and accountability. Use of e-

governance and technology driven solutions at Panchayat level will be increased to attain administrative efficiency, improved service delivery, and greater accountability. Institutional structure for capacity building will be established at the national, state and district levels with adequate quality standards in infrastructure facilities and human resources. RGSA differs from the earlier schemes on many parameters, some of which are:

- i) RGSA will cover non-Part IX areas (States of Meghalaya, Mizoram, Nagaland and parts of Hill areas of Manipur, district Darjeeling, West Bengal, parts of Assam and Tripura).
- ii) RGSA will strengthen Panchayat – Self Help Group (SHG) partnership.
- iii) The Scheme will provide interventions to meet gaps in Panchayat effectiveness for Capacity Building and Training, use of IT for distance learning and for e-enablement of Panchayats, Gram Panchayat infrastructure, institutional support for innovations, gap filling support for economic development and technical support including Human Resource (HR) based on identified gaps.
- iv) There will be programmatic focus for phased saturation mode on ensuring basic orientation training for the Elected Representatives of Panchayats, within six months of their election. Refresher trainings to be ensured within 2 years.
- v) Revised guidelines on Gram Panchayat Development Plan (GPDP) to be formulated in consonance with the emerging needs of holistic development of the villages. Programmatic support for handholding of Panchayats for GPDP formulation will be provided by Academic Institutions/Institutions of excellence.
- vi) Scheme will support dedicated management and technical support groups at State and district levels for e-enablement of Panchayats.
- vii) Scheme will facilitate Electronic Fund Transfer (EFT), Public Finance Management System (PFMS), use and Geo-tagging of assets in Gram Panchayats for 14th Finance Commission resources. This will improve quality of assets and accountability to the community.
- viii) Scheme will provide support for additional room in GP building for co-location of CSCs in Panchayat Bhawans to ensure ease of service delivery for citizens.
- ix) Scheme will provide for gap funding for micro-projects for economic development and income enhancement.
- x) Scheme incorporates a national component for setting protocols and for building capacities in collaboration with National Institute of Rural Development & Panchayati Raj (NIRD&PR) and other Academic Institutions/ Institutions of Excellence.
- xi) There will be increased emphasis on involvement of Gram Sabhas in the implementation of the Scheme and efforts will be made for advocating the convening of Special Gram Sabhas for convergent planning and capacity building of stakeholders.

This Ministry is aware that there is a gap in the availability of human resources at the cutting edge level of Panchayats. It is also worth mentioning here that the Sumit Bose Committee constituted by the Government on the

performance based payments for better outcomes in rural development programs specifically examined this issue and have made recommendations. This recommendation has been considered by the Government carefully and the activity relating to providing technical support to GPs / cluster of GPs on outsourcing basis with particular focus on the Gram Panchayats covered under Mission Antyodaya and Aspirational Districts is being supported under the newly launched scheme of RGSA. As per recommendation of the Committee, the States are expected to:

- i) Do a mapping exercise to identify staff available at the GP/Cluster level, including those appointed under different programmes like Rural Development schemes.
- ii) Carry out mapping of all functions assigned to Panchayats for which personnel / technical support is not easily available.
- iii) Do identification of the staff wherever available under a programme which can be used for other functions and assigning work formally to them through instructions from competent levels.

For enabling the PRIs to implement the RGSA in a meaningful consulted and result oriented manner, a Framework for Implementation of RGSA has been prepared and shared with the States. States will have to build their Annual Action Plan (AAP) for accessing funds under the scheme *inter-alia* related to the Capacity Building & Training (CB&T) and their CB&T plan will focus *inter-alia* on training on preparation, implementation and other aspects of GPDP and special targeted interventions for Elected Representatives (ERs) from vulnerable groups like SCs, STs, Women etc."

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

Recommendation (Serial No. 5, Para No. 5)

Releasing of Funds to States under CB-PSA

The Committee observed that under the CB-PSA/RGSA, funds have been provided to States towards strengthening of Panchayats. During the year 2016-17, funds to the tune of Rs. 585.87 crore has been released. During the current year, funds to the tune of Rs. 467.15 crore have been released to 23 States, 1 UT till 31st December, 2017 whose plan have been approved. Funds have been released to the States towards strengthening of Panchayats on different activities such as capacity building and training, human resource training, e-Enablement, etc. The Committee were informed that training for a total of 88.44 lakh elected representatives and functionaries including 55.68 lakh for GPDP have been sanctioned so far during 2017-18. The Committee are however, unhappy to note that there is no separate data for training imparted to the women elected representatives while giving the total number of 48,95,156 Panchayat Elected Representatives and functionaries who were trained in GPDP and other trainings during 2015-16 and 2016-17. The Committee, therefore,

recommend that the training of Panchayat elected representatives should be done at vigorous pace and separate training programmes for women elected representatives should be chalked out so that all the elected representatives including women representatives are well trained in the various functioning and programmes of Panchayats.

Reply of the Government

"The scheme of RGSA has been launched *inter-alia* with the objective of enhancing the Capacity of Panchayats to enable them to deliver on SDGs in dimensional manner. The States/UTs are to submit their Annual Action Plans (AAPs) for assistance related to CB&T. The framework for Implementation of RGSA stipulates that before finalising their Capacity Building Plan, the States/UTs will have to keep in view *inter-alia* the special targeted capacity building interventions to be conducted for Elected Women Representatives (EWRs) of Panchayats and Elected Representatives of Panchayats from vulnerable groups like SCs and STs. It is also pointed out here that of the total strength of the Elected Representatives of the Panchayats across the Country, about 44% are Elected Women Representatives. 20 States have made a provision of reservation of seats and offices in Panchayats for women as near to 50% as possible. It is stated that while appraising the Annual Action Plan of the States for release of funds, the above aspect will also be taken into consideration. Further, a MIS is being rolled out for RGSA, which will *inter-alia* capture the data relating to training imparted to different stakeholders of Panchayat including EWRs."

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

Recommendation (Serial No. 6, Para No. 6)

New Approach for Capacity Building Training (CBT)

The Committee has been informed about the new approach being taken for Capacity Building and Training in the context of larger devolution of funds under FFC Awards, operationalization of Gram Panchayat Development Plan (GPDP) and India being signatory for achieving the Sustainable Development Goals (SDGS). A fresh approach to capacity building of Panchayats has become imperative. The important initiatives being taken by the Ministry in this regard include leveraging of technology for greater outreach amongst the elected representatives of Panchayats via use of SATCOM, use of smartphone based applications, use of social media, utilizing short films on best practices for wide reach, training on subjects of national importance such as water conservation, sanitation, health education, women empowerment, flexibility to States to evolve State specific training plans etc. The Committee are happy to note that

MoPR have taken concrete steps to make PRIs more effective and efficient in the new technological infused environment where PRIs will be required to be technology savvy and use media-platform to educate the masses and enhance their functioning. The Committee, therefore, strongly recommend that MoPR should earnestly pursue its endeavor of new approach for capacity building and training so that PRIs work towards the welfare of the rural masses.

Reply of the Government

"In the context of critical requirement of enhanced governance capability of Panchayats through more concerted, robust and technology driven processes and expansion of outreach and coverage of capacity building of PRIs, the scheme of RGSA has been approved by the government on 21.04.2018. The scheme was launched by Hon'ble Prime Minister on 24.04.2018 on the occasion of National Panchayat Day. The scheme envisages to enhance the capacity of Panchayats so as to equip them for good governance at Grass roots and ensure mass participation, efficient delivery of services, transparency and inclusive development. Under the scheme, in furtherance to the new approach of Capacity Building & Training hitherto being taken, it provides for following interventions for Capacity Building & Training (CB&T):-

- i) Capacity building of PRIs following phased saturation approach with focus on newly elected representatives and functionaries of PRIs. Priority will be on Mission Antyodaya GPs and 117 Aspirational Districts identified by NITI Aayog.
- ii) Orientation training of newly elected PRI Elected Representatives (ERs) within 6 months of their election, followed by refresher courses within two years.
- iii) Partnership and networking with institutions of excellence/ Universities/ Colleges, for preparation of quality training modules and developing pool of Master Trainers for PRIs from academics/faculties.
- iv) Strengthening capacities of PRIs for improving performance in subjects of National importance, especially in the areas of primary health services including immunization and nutrition, education sanitation, water conservation, health and immunization, digital transactions etc.
- v) Support for strengthening institutional structure for training and use of technology like SATCOM/Internet Protocol (IP) based solutions for virtual class rooms , self-learning e-modules, open online courses, mobile apps, and Audio-video mediums to expand outreach and coverage of training, etc.
- vi) Exposure visits for PRIs to be radically scaled up to promote learning through peer exchange and development of model panchayats as peer-learning sites.
- vii) Support for Innovations for incubating and developing models of good governance."

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

Recommendation (Serial No. 8, Para No. 8)

Incentivization of Panchayats

The Committee note that incentivization of Panchayats is being done since 2011-12 under Panchayat Empowerment and Accountability Incentive Scheme (PEAIS) with the objective of due recognition of PRIs that perform their role well. The scheme has been revamped in 2016-17 with slight modifications and is to be a part/sub-scheme of Rashtriya Gram Swaraj Abhiyan and the awards are given on the National Panchayati Raj Day celebrated on 24th of April every year. The categories of awards include (i) Deen Dayal Upadhyay Panchayat Sashaktikaran Puraskar (DDUPSP) and (ii) Nanaji Deshmukh Rashtriya Gaurav Gram Sabha Puraskar (NDRGGSP). In this regard, the Committee recommend that MoPR should be fair in selection process of Gram Panchayats and award the best functioning Gram Panchayats in the country for their outstanding contribution to the socio- economic development. The Committee also hope that the large number of Panchayats should be made aware of the incentivization of Panchayats for awarding of best Panchayats in the country so that more number of Panchayats would strive to do their best and win the awards specially from far-flung and remote areas of country.

Reply of the Government

"Through 'Incentivization of Panchayats' scheme, a holistic approach has been taken by Ministry of Panchayati Raj (MoPR) towards creating an overall system of good governance by which deserving Panchayats and States/Union Territories (UTs) gets recognition while setting a model for others to follow. Conscious efforts are being made towards strengthening of Panchayats and motivating them through awards wherein due recognition is given to the best performing Panchayats and States/UTs of the country. The best performing Panchayats are thus awarded on 24th of April every year celebrated as National Panchayati Raj Day (NPRD).

Detailed Questionnaires for Awards have been developed by MoPR by utilizing various criteria/indicators to measure accountability system and transparent functioning of Panchayats. The nomination of Panchayats for awards is done by assessing and evaluating the information provided by the Panchayats on the basis of detailed marking scheme at various levels like Block Level Committee, District Level Committee, State Panchayat Performance Appraisal Committee and State Field Verification Teams. The nominations from States/UTs are invited online to reduce the turnaround time in the overall process.

Field verification of nominated Panchayats is also conducted through independent agencies (National Level Field Verification Agencies) engaged for this purpose by MoPR which are entrusted to validate the Panchayats nominated

by the State Government/UT Administration for awards. A National Screening Committee for Panchayat Awards constituted in MoPR makes final selection of Panchayats for awards.

NPRD celebrated every year is widely publicized at national level and well attended by the representatives from various Panchayats across the country apart from the ones selected for the awards. The celebration of the occasion is aimed to highlight the important role of Panchayats in overall governance and development. A total of 39,587 Panchayats [25,456 under *Deen Dayal Upadhyay Panchayat Sashaktikaran Puraskar (DDUPSP)* and 14,131 under *Nanaji Deshmukh Rashtriya Gaurav Gram Sabha Puraskar (NDRGGSP)*] participated in the Panchayat Awards-2018. Out of these, a total of 191 Panchayats (*Gram, Intermediate and District*) across 25 States and 21 Gram Panchayats in 21 States were awarded under the categories of DDUPSP and NDRGGSP, respectively, during the NPRD held at District Mandla, Madhya Pradesh on 24.04.2018.

Since the improvement and refinement of criteria for awarding best performing Panchayats is a continuous policy intervention adopted by MoPR from time to time, a new award namely, Gram Panchayat Development Plan (GPDP) Award has been introduced during the year 2017-18 to be awarded to three best Gram Panchayats (GPs) across the country. This has been done with a view to encourage GPs which have developed their GPDPs according to the State/UT specific guidelines prepared in line with the model guidelines issued by MoPR (or adopted as such). During the NPRD held on 24th April, 2018 at District Mandla, Madhya Pradesh, GPDP Award was conferred to Digambarpur GP (*West Bengal*), Malangi GP (*Karnataka*) and Maniram Phalidara GP Unit (*Sikkim*).

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

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

e-Panchayats

The Committee note that the e-Panchayats under Digital India Programme seeks to completely transform the functioning of Panchayati Raj Institutions (PRIs) making them more transparent, accountable and effective as last mile cutting edge units of decentralized local self-governments. The project was conceptualized based on recommendations of Expert Group on 'IT Programmes of MoPR' in 2008. Based on the consultations study, under e-Panchayat, a suite of core common software applications (Panchayat Enterprise Suite) have been developed to address various aspects of Panchayats functioning including planning, budgeting, implementation, accounting, monitoring, social audit and delivery of citizen services like issue of certificate, licenses etc. Also, MoPR is also promoting electronic delivery of services through Panchayats by encouraging co-location of Common Service Centres (CSCs) in GP Bhawans. The

service plus application has been rolled out under the project to enable rapid roll out of electronic services. The Committee observe that the functioning of e-Panchayats is highly dependent on continuous internet connections for which supply of electricity is a pre-requisite, availability of computers and infrastructures including availability of personnel for operating e-Panchayats. The Committee therefore, strongly recommend that MoPR should ensure that regular supply of electricity for internet connectivity and availability of well trained computer operating personnel should be made so that the working of e-Panchayat is a great success and the services of e-Panchayats reaches the rural masses.

Reply of the Government

"Ministry of Panchayati Raj has provisioned for funds of 10% administrative expenses under Fourteenth Finance Commission (FFC) grant that can be used by Gram Panchayats towards computer, internet connectivity and availability of well-trained computer operating personnel. Furthermore, Ministry of Panchayati Raj is regularly following up with the Department of Telecommunications (DoT) for expeditious implementation of BharatNet. According to DoT, as on 27.09.2018, about 1,15,122 Gram Panchayats have been made service ready. Furthermore, all 2.5 lakh Gram Panchayats will be covered under the BharatNet project by March, 2019. Similarly, 'rural electrification' is also a key component under the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) being implemented by Ministry of Power. Offline versions of some Panchayat Enterprise Suite (PES) applications have also been developed to overcome these challenges in the short run."

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

Recommendation (Serial No. 10, Para No. 10)

Awareness Generation through various Media Platforms

The Committee note that the MoPR is taking up awareness generation about Panchayats on a large scale. The MoPR informed that a quarterly news letter for Panchayati Raj Institutions is being published jointly by Ministry of Panchayati Raj, Ministry of Rural Development and Ministry of Drinking Water & Sanitation and this letter is issued to all Gram Panchayats (GPs) in the country through Indian Postal Services. The Committee note that MoPR in its endeavour to provide an inclusive and enabling ecosystem for the Panchayats has created 'youtube' channel which was officially launched on the National Panchayati Raj Day, 24th April, 2017. Social Media is also being used for interaction with general public and dissemination of information and

enhancing the outreach. The Committee while noting the steps taken by the MoPR to create awareness generation about the success and features of Panchayats in the country hope that MoPR would reach all the villages in the country specially remote and hilly areas so that rural masses are made aware of the basic functions and services being rendered by the Panchayats for the development of rural areas in the country.

Reply of the Government

"Although it is a challenge reaching the desired/ prime target segment i.e. the last mile of the rural masses specially stationed in remote and hilly areas, the Ministry has taken several measures to reach out to the target groups in remotest parts of the country. The quarterly newsmagazine "Gramoday Sankalp" is being sent to all Gram Panchayats across the country in respective regional languages utilizing the services of Department of Posts having access to every nook and corner of the country. In addition, In view of digitization, phenomenal reach and increasing penetration of Public Broadcasters – Prasar Bharati, Ministry requisitions the services of Doordarshan and All India Radio from time to time to create awareness generation about the key issues relating to Panchayati Raj and also to highlight the success stories of well-performing Gram Panchayats so that the best practices could be replicated in other Gram Panchayats as well. The Ministry of Panchayati Raj also utilizes the platform of social media for creating adequate awareness among the rural masses in general and elected representatives & functionaries of Panchayati Raj Institutions in particular in view of the remarkable growth in social media penetration and usage amongst the rural masses at an ever-accelerating pace. Apart from the aforesaid activities, Ministry undertakes activities through traditional media for targeting audiences / viewers from rural areas to reach out to the last mile for effective awareness generation among general rural masses."

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

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

Common Service Centres (CSC) in Gram Panchayats

The Committee were informed that the Common Service Centers (CSC) 2.0 project in Gram Panchayats was launched in August, 2015 for period of four years (by August 2019) to be implemented by CSC Special Purpose Vehicle (CSC-SPV). It envisages setting up of at least one Common Service Center (CSC) at each Gram Panchayat (GP) level to cover all the 2.5 lakh GPs across the country. CSC 2.0 model is completely based on a service delivery/transaction oriented self sustainable entrepreneurship model with no viability gap funding. Further, under this programme efforts are being made to increase the portfolio of e-Services by integrating various

Union Ministry and States/UTs level services with the national level CSC-Digital Seva Platform. CSC further hopes to create sustainable rural entrepreneurship redefining governance and to meet the expectation of the Government in transforming India into a digitally and socially empowered society. The Committee are satisfied to note that MoPR is taking outstanding measures for empowering rural masses digitally and recommend that MoPR should keep the continuous efforts to make the rural populace digital friendly and Panchayats technologically savvy.

In this regard, the Committee note that MoPR is monitoring electronic delivery services through Panchayats by encouraging co-location Common Service Centres (CSCs) in Gram Panchayat Bhawans. The Committee during the examination of DFG (2018-19) had strongly recommended that there is lack of Gram Panchayat Bhawans in the country and Gram Panchayat Bhawans play a very important role in delivering various services especially under Common Service Center and Digital India Programme. The Committee, therefore, once again reiterate its recommendation that construction and maintenance of Gram Panchayat Bhawans should be done expeditiously and Ministry of Panchayati Raj should make all out efforts and impress upon the States to work out time-table for expeditious construction and maintenance work of Gram Panchayat Bhawans across the country. The Committee also observed that there is a variance in the make, model and cost of GPBs. The Committee, therefore, recommend that 'a standard model' which can be cost effective may be developed according to the topography of the particular village so that the construction of the GPBs is done in a cost effective manner and without difficulties. The Committee hope that MoPR would impress upon the State Governments to expedite the construction as well as the maintenance of Gram Panchayat Bhawans for successful implementation of Common Service Centres which will be localized in the Gram Panchayat Bhawans.

Reply of the Government

"The Ministry is aware of the lack of buildings for housing the Offices of Gram Panchayats in several States. It is stated that the responsibility for providing Panchayat infrastructure including GP buildings vests with State Government and States are expected to obtain funds for GP buildings from various sources. The Ministry also acknowledges the desirability of providing electronic delivery services through Panchayats by encouraging co-location Common Service Centres (CSCs) in Gram Panchayat Bhawans. It is in this

background that in the scheme of RGSA, provision has been made to assist the States / UTs for construction of buildings for the Gram Panchayat Offices and co-locating the CSCs therein with focus on Gram Panchayats covered under Mission Antyodaya and Aspirational Districts.

This Ministry is also advising the states/Panchayats to try and ensure that CSCs are co-located in GP office buildings which will ensure that GPs are perceived as effective institutions for local governance and better align them to ensure delivery of citizen centric services."

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

CHAPTER III

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

- NIL -

CHAPTER IV**RECOMMENDATIONS IN RESPECT OF WHICH REPLY OF THE GOVERNMENT
HAVE NOT BEEN ACCEPTED BY THE COMMITTEE****Recommendation (Serial No. 2, Para No. 2)****Devolution of Powers**

The Committee note that 'Panchayats' being a State subject, the devolution of powers and authority to Panchayats has been left to the discretion of States. The profile of devolution thus varies across the States. The Ministry is also encouraging States to devolve powers (3Fs i.e. Funds, Functions and Functionaries) to the Panchayati Raj Institutions (PRIs) through incentive schemes. The Ministry is also actively promoting the Gram Sabhas for robust and vibrant functioning of the PRI system and has issued comprehensive guidelines/ instructions for their effective functioning and to hold regular meetings. However, the Committee observed that in reality even the mandatory Gram Sabha meetings are not taking place or are attended by very few people especially women representatives. The Committee, thus, strongly recommend that MoPR should impress upon all the State Governments to put quorum in the Gram Sabha meetings for participation of Panchayat representatives and women representatives. The Committee also note that subjects like fuel and fodder, non convention energy sources, rural electrification including distribution of electricity, audit and non-formal education, small scale industries including food processing industries, technical training and vocational education have not been devolved in certain States and therefore, the Committee recommends that MoPR should pursue the States to devolve these subjects for giving Panchayats more power in these areas. The Committee recommend that State Governments should make vigorous efforts to devolve funds, functions and functionaries (3Fs) to Panchayats so that they are able to effectively plan economic development and social justice schemes. The Committee further desire that the States may also be requested to share the extent of devolution with each other for over-all development of rural India.

Reply of the Government

"Article 243(b) of the Constitution defines Gram Sabha as a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of a Panchayat at the village level. The statutory provisions relating to minimum attendance, quorum for convening Gram Sabha

or frequency of meetings of Gram Sabhas vary from State to State as provided in their respective Panchayati Raj Acts. To make the Gram Sabha more effective, this Ministry issued advisory to the States for ensuring conduct of minimum four meetings of the Gram Sabhas in a year on specified dates. This Ministry has actively promoted the crucial role of the Gram Sabha for the robust and vibrant functioning of Panchayati Raj system. Ministry has from time to time, issued comprehensive guidelines, advisories, instructions etc for the effective functioning of the Gram Sabha and for holding regular meetings of Gram Sabhas. Details of guidelines, advisories, instructions issued to States are as under-

- Guidelines for the effective functioning of the Gram Sabha (dated 2nd October 2009)
- Letter to hold regular meetings of Gram Sabha and Quorum for the women's presence (dated 4th February 2011)
- Guidelines for accountability of the delivery mechanism (dated 8th December 2011)
- Letter to hold special Gram Sabha on Women (dated 10th September 2012)
- Holding special Gram Sabha meetings on Nutrition and Child Sex Ratio (dated 25th April 2014)
- Letter regarding Swatchh Panchayat Spath (16th September 2014)
- Letter on prohibition of Employment as Manual Scavengers and their rehabilitation (dated 15th February 2015)

Further, a People's Plan Campaign has been rolled out as 'Sabki Yojana Sabka Vikas' from 2nd October, 2018 to 31st December 2018 throughout the country. During the campaign, structured Gram Sabha meetings is to be held for preparing Gram Panchayat Development Plan (GPDP) for the next financial year i.e. 2019-20, where frontline workers of all line Departments relating to 29 subjects listed in the Eleventh Schedule of the Constitution will make a detailed presentation regarding their Department activities. These will then be incorporated in the GPDP planning process after discussion by Gram Sabha. 'Sabki Yojana Sabka Vikas' is thus a partnership of Local, State and Central Government and the intention is to make the planning process for GPDP more comprehensive, effective and participatory.

'Panchayat' being 'Local Bodies' is a state subject mandated under Part IX and List II (State List) of Seventh Schedule (Article 246) of the Constitution of India. Article 243G of Part IX of the Constitution allows discretion to State Legislatures to endow the Panchayati Raj Institutions (PRIs) with powers and authority to enable them to function as institutions of local self-governance including in areas illustratively listed in the Eleventh Schedule of the Constitution. There is variation in the extent of devolution of functions to PRIs in states. The Ministry of Panchayati Raj (MoPR) has continuously persuaded the State Governments to devolve powers to Panchayats and also supported States/UTs through incentivisation, regular reviews and by providing assistance for capacity building of Panchayats to enable them to perform devolved functions effectively and efficiently. From time to time, MoPR undertake the preparation of an annual study on Panchayat Devolution Index (PDI) from 2006 onwards, through independent institutions, to assess where each State stands in the matter of

devolution of power (3Fs-Funds, Functions and Functionaries) and to rank States on the enabling environment that has been created in the States under the framework of the Constitution. These reports were shared with States to enable them to compare the extent of devolution with each other.

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

Comments of the Committee

(Please see Paragraph No. 6 of Chapter I of the Report)

Recommendation (Serial No. 3, Para No. 3)

Funding of Panchayats

The Committee note that the Finance Commission Grants (FFC) plays a very important role in helping and promoting the schemes and its implementation by the Panchayats in the country. For the award period 2015-2020, the Fourteenth Finance Commission has devolved grants of Rs. 2,00,292.00 crores to the Gram Panchayats. The Committee note that the FFC grants were sub-divided into two parts i.e. Basic Grants (90%) and Performance Grants (10%) w.e.f. 2016-17. The Basic Grant is mandatorily to be released within 15 days to GPs by the States after it being credited to their account by the Union Government whereas the release of Performance Grants is subject to fulfillment of certain conditions. The Committee further note that for the first time, the Fourteenth Finance Commission grants have been decided to be given directly to Gram Panchayats and the grant is more than three times the Thirteenth Finance Commission grant (2010-15). The Committee are appreciative of this initiative. The Committee note that the Thirteenth Finance Commission Grants were not fully released and fell short of Rs.6,904.10 crores against the total allocation which was at Rs.65,160.71 crores. The Committee desire to be apprised of the reasons for the lesser release of grants and its impact on the effective and efficient implementation of schemes by the Panchayats.

The FFC Grants provided are intended to be used to support and strengthen the delivery of basic services including water supply, sanitation, sewerage and solid waste management and any other basic service within the functions assigned to them under relevant legislations. The Committee are unhappy to note that some State Governments have delayed in releasing funds to Panchayats and subsequently they had to pay the

Panchayats interest and wherever Panchayats are not being audited, the grants are not released to them. The Committee therefore, strongly recommend that the Ministry should monitor the release and expenditure of FFC Grants to ensure that there is no delay in the release of the FFC grants and it should also be ensured that the money distributed through FFCs should be done in a prudent manner and also ensure that the utilization of the grants should be done in proper and effective manner. The Committee recommend that MoPR should interact with the State Governments to release funds to Panchayats on time and encourage Panchayats to carry out local audit regularly so that release of FFC Grants are not delayed.

The Committee hope that MoPR would examine the matter along with State Governments for streamlining and simplifying all the related procedures.

Reply of the Government

"In respect of lesser release of grants under Thirteenth Finance Commission (FC-XIII), it may be stated that FC-XIII had recommended grants to Rural Local Bodies (which includes all tiers of Panchayats) in two parts namely (i) Basic Grant and (ii) Performance Grant. These grants were to be released subject to fulfillment of various conditionalities as stipulated in the Guidelines issued by the Department of Expenditure for implementation of FC-XIII recommended Local Body Grants including recommendation from the MoPR for the release of Performance Grant. Non-compliance by some of the States to the stipulated guidelines within the award period of the FC-XIII resulted in lesser release of the recommended grant.

Further, in order to ensure that funds under FFC are released promptly and without any delay, the Ministry of Finance, Department of Expenditure vide the Guidelines issued on 8th October, 2015 has laid down the express condition that the States should release the Grants to the Gram Panchayats within fifteen days of being credited to their account by the Union government. There should not be any deductions at source from the grants due to the local bodies. In case of delay, the State Government must release the instalment along with interest at the Bank rate of Reserve Bank of India paid from its own funds and a certification to this effect will be reflected in the Utilisation Certificate (UC) to be furnished by the State Government. Release of second and subsequent instalments of grants (both Basic & Performance) will be subject to receipt of UC for the previous instalment in the prescribed format and compliance to the stipulated guidelines. This Ministry is constantly monitoring the release and expenditure of FFC grants to ensure that there is no delay in the release of the FFC grants by the State governments and to ensure that the money distributed should be done in a prudent manner and utilization of the grants be done in proper and effective manner so that basic services are provided in the GPs in time. The details of the defaulting States is given in Annexure-I.

Moreover, the Ministry is constantly interacting with the State Governments and impressing upon them to release funds to Gram Panchayats on time and encouraging them to carryout local audit regularly to avoid delay in release of FFC funds through reminders, meetings, visit of Senior Officers of the Ministry to the States. As a part of its constant monitoring, the Ministry has conducted a Common Review Mission (CRM) in 2017 to assess the effectiveness of release and utilization of FFC grants in eight states viz., Assam, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Odisha, Uttar Pradesh and Telangana. The CRM teams comprising of domain experts from reputed institutions/organizations assisted by a consultant from MoPR for each state, visited at least two Gram Panchayats each in two districts (one relatively developed and the other relatively backward) in the eight states. The teams interacted with various stakeholders – Panchayat representatives, functionaries, community members, district and the State officials along with civil society and academia to get an overall understanding of utilization of FFC funds in Panchayats."

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

Comments of the Committee

(Please see Paragraph No. 9 of Chapter I of the Report)

CHAPTER V

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

Recommendation (Serial No. 7, Para No. 7)

Gram Panchayat Development Plan (GPDP)

The Committee note that MoPR has supported States to develop State specific guidelines for Gram Panchayat Development Plan (GPDP) which converges all the resources over which the Panchayats have command including FFC funds, MGNREGS funds, Swachh Bharat funds etc. The GPDP are also an opportunity for the community to be engaged in solutions for development issues. The Committee were also informed that the preparation of GPDP has been very successful as against 1,35,590 GPDP in 2015-16, 2,44,042 GPDP were prepared in 2016-17. 1,91,864 GPDPs have already been prepared in 2017-18. The Committee further note that scope of GPDP include poverty reduction, human development, social development, economic development, ecological development and basic services. The Committee note that although the NGOs and academic institutions are being involved in forming of GPDP, however, the Committee desire that suggestions and ideas of MPs, MLAs, local representatives and people across sections of society should be taken during the formation of GPDPs for making better plans and also involving all the stakeholders in the process of making of GPDPs. The Committee also appreciate the progress made in this area and hope that this pace and momentum is maintained through the involvement of more and more Gram Panchayats in making of GPDPs.

Reply of the Government

"With the objective of preparation of comprehensive and meaningful Gram Panchayat Development Plan (GPDP) for the year 2019-20, the Ministry of Panchayati Raj in association with Ministry of Rural Development has roll out People's Plan Campaign "Sabki Yojana Sabka Vikas" during 2nd October – 31st December, 2018. The Campaign will be an intensive and structured exercise for planning at the level of Gram Sabha through convergence between PRIs, SHGs and concerned line department of States. The convergence with the women SHGs in the planning process has been necessitated in view of the fact that their involvement will lead to increased community ownership of the programme and also to ensure that GPDPs are inclusive and represent the interest of all stakeholders particularly the vulnerable sections. The SHGs are also suppose to

participate in subsequent implementation, monitoring and social audit of GPDP activities, thereby resulting in planning and implementation of GPDPs which are more people oriented and inclusive.

Effort has been made to involve all the concerned stakeholders from Grassroot level upto the Central Ministries in the process of formulation of the GPDP for 2019 i.e. Sabki Yojana Sabka Vikas. Concerned Central Ministries would be making full public disclosure of Gram Panchayat wise interventions being made. Women Community Resource Persons from Self Help Groups and trained Social Auditors will be involved as Facilitators for Gram Sabha meeting. Since MLAs and MPs are associated with District / Block Level Panchayats, their involvement is envisaged through these institutions.

The Annual Action Plan related to Capacity Building and Training of PRIs and their stakeholders will be based on the requirements of the Panchayats as per the Framework of Implementation of RGSA. This Framework also provides of establishment of a State Advisory Committee headed by the Minister of Panchayati Raj in State which will have Minister of Rural Development and Minister for Drinking Water of the concerned State as Member. The overall policy direction of the scheme will be provided by an empowered National Steering Committee (NSC) under the Chairmanship of the Hon'ble Minister of Panchayati Raj which will have as Members, Central Minister of State for Rural Development, Central Minister of State for Drinking Water & Sanitation and also Ministers for Panchayati Raj from two well performing States.

Further, with a view to address the new challenges as well as opportunities that need to be addressed and incorporated into the GPDP to reach out and fulfil the development aspirations of the rural people through effective decentralised participatory planning by the rural local governments, Ministry has constituted a multi sectoral committee to review/revise the Model GPDP guidelines issued during 2015. The committee based on iterative discussions with different stakeholders has finalised the Revised guidelines .The revised guidelines will be shared with States for further necessary action."

[O.M. No. H-11013 /8/2018-Parl., dated 24 October, 2018]

Comments of the Committee

(Please see Paragraph No. 12 of Chapter I of the Report)

NEW DELHI;
27 December, 2018
06 Pausa, 1940 (Saka)

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

Annexure-I

Statement showing the amount of interest paid by States to Gram Panchayats for delayed release of Fourteenth Finance Commission (FFC) Grants

Sl. No.	State	Year	Instalment	Delayed period in days	Interest paid (Rs. in lakh)
1.	West Bengal	2015-16	1 st	95 days & 398 days	1585.78
2.	Goa	2015-16	1 st	157	46.58
3.	Assam	2015-16	1 st	98 days, 66 days & 354 days	1028.49
4.	Arunachal Pradesh	2015-16	2 nd	222	242.27
5.	West Bengal	2015-16	2 nd	17	299.52
6.	Manipur	2016-17	2 nd	54	14.24
7.	West Bengal	2016-17	2 nd	5	91.29
8.	Uttar Pradesh	2016-17	2 nd	1	49.33
9.	Maharashtra	2016-17	2 nd	9	187.05
10.	Arunachal Pradesh	2016-17	1 st	125	136.43
11.	Sikkim	2017-18	1 st	6	1.32
	Total				3682.30

COMMITTEE ON RURAL DEVELOPMENT (2018-2019)**MINUTES OF THE FOURTH SITTING OF THE COMMITTEE HELD ON
THURSDAY, THE 27 DECEMBER, 2018**

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

Dr. P. Venugopal - *Chairperson*

MEMBERS**LOK SABHA**

2. Shri Kirti Azad
3. Shri Vijay Kumar Hansdak
4. Shri Jugal Kishore Sharma
5. Dr. Ramesh Pokhriyal "Nishank"
6. Shri Prahlad Singh Patel
7. Dr. Yashwant Singh
8. Shri Ajay Misra (Teni)

RAJYA SABHA

9. Shri Ajay Pratap Singh
10. Shri Shamsher Singh Dullo
11. Shri Rathwa Naranbhai Jemlabhai
12. Shri A.K. Selvaraj
13. Shri Prashanta Nanda
14. Shri Lal Sinh Vadodia

SECRETARIAT

1. Shri Abhijit Kumar - Additional Secretary
2. Shri Shilpi Chatterjee - Director
3. Smt. Emma C. Barwa - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened for consideration of XXX XXX XXX XXX XXX XXX XXX XXX XXX Draft Action Taken Reports on the subject XXX XXX XXX 'Improvement in the Functioning of Panchayats' pertaining to the XXX XXX Ministry of Panchayati Raj.

3. The Committee then took up for consideration the following Draft Reports:-

- (i) XXX XXX XXX XXX
- (ii) XXX XXX XXX XXX
- (iii) XXX XXX XXX XXX
- (iv) XXX XXX XXX XXX
- (v) XXX XXX XXX XXX
- (vi) Draft Action taken on the recommendations contained in the Fiftieth Report on 'Improvement in the Functioning of Panchayats' of the Ministry of Panchayati Raj.

4. Draft Reports were taken up for consideration one-by-one and after discussions, the Committee adopted the Draft Reports at Sl. Nos. XXX XXX (iv), XXX XXX and (vi). The Committee then authorized the Chairperson to finalize the aforesaid Draft Reports and present the same to the Parliament.

The Committee then adjourned.

XXX Not related to the Draft Reports

APPENDIX – II

[Vide para 4 of Introduction of Report]

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE FIFTIETH REPORT ON IMPROVEMENT
IN FUNCTIONING OF PANCHAYATS**

I.	Total number of recommendations:	11
II.	Recommendations that have been accepted by the Government : Serial Nos. 1, 4, 5, 6, 8, 9, 10 and 11	
	Total:	08
	Percentage:	72 %
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies : NIL	
	Total:	00
	Percentage:	0 %
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee :	
	Serial No. 2 & 3	
	Total:	2
	Percentage:	18 %
V.	Recommendations in respect of which final replies of the Government are still awaited : Serial No. 7	
	Total:	01
	Percentage:	10 %