

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

STARRED QUESTION NO:245
ANSWERED ON:08.03.2006
IMPLEMENTATION OF PANCHAYATI RAJ
Singh Shri Chandra Bhushan

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Panchayati Raj system has not been implemented in many States so far;
- (b) if so, the details thereof and the reasons therefor;
- (c) the steps taken by the Government to ensure implementation of Panchayati Raj system in such States;
- (d) whether there is any proposal to grant more powers to Panchayats in the matter of mobilization of resources and management of funds; and
- (e) if so, the details thereof?

Answer

MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 245 DUE FOR REPLY ON 08.03.2006 REGARDING IMPLEMENTATION OF PANCHAYATI RAJ.

(a) to (c): All States to which the Constitution 73rd Amendment Act 1992 applies, except Jharkhand and Pondicherry, have held elections and constituted Panchayats in accordance with the provisions of Part IX of the Constitution. However, as the Constitution provides that it is legislatures of States that will endow the Panchayati Raj Institutions (PRIs) with powers and authority, States have devolved powers and responsibilities to the Panchayats in varying measure.

District Planning Committees have been constituted in 14 States, namely, Bihar, Chhattisgarh, Goa, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Manipur, Orissa, Rajasthan, Sikkim, Tamil Nadu, West Bengal and the Union Territories of Andaman and Nicobar, Dadra and Nagar Haveli, Daman & Diu and Lakshadweep. District Planning Committees have not been constituted in Jharkhand and Pondicherry where elections to Panchayats are yet to be held. Uttar Pradesh has enacted legislation for District Planning Committees but is yet to issue the notification for the constitution of these bodies. Maharashtra has not constituted DPCs in accordance with Article 243 ZD of the Constitution, but has District Planning and Development Councils headed by a Minister, including nominated members from Panchayats and Municipalities. Andhra Pradesh has issued an Ordinance in September 2005 for the constitution of DPCs pending the passage of the relevant bill in the Legislative Assembly. Punjab has enacted legislation on the constitution of DPCs in October 2005. Uttaranchal has informed the Ministry that it is in the process of constituting DPCs according to Article 243ZD.

The Panchayats (Extension to the Scheduled Areas) Act, 1996 (PESA) applies to Fifth Schedule Areas in nine States, namely, Andhra Pradesh, Chattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa and Rajasthan. While all these States have enacted the required legislations to comply with PESA, there is need to ensure harmonization of the provisions of such legislation with other State legislation relating to Fifth Schedule Areas and the issue of executive orders to ensure the PESA related protection of the special rights of tribal people in full measure.

To provide an impetus to the implementation of Part IX of the Constitution in letter and spirit by States, the Ministry of Panchayati Raj convened seven Round Tables of State Ministers in charge of Panchayati Raj between July and December, 2004 and evolved, by consensus, a set of around 150 points for action, which have been put together in a compendium that was adopted unanimously at the conclusion of the last Round Table in Jaipur. The joint programme of action seeks to ensure that on the basis of Activity Mapping, funds, functions and functionaries are devolved to all 3 levels of PRIs to enable them to emerge as institutions of self-government. During the Third Round Table held at Raipur, action points were also agreed upon in respect of the implementation of PESA, and ensuring PESA - compliant State legislation.

A Council of State Ministers of Panchayati Raj under the Chairmanship of the Union Minister for Panchayati Raj has been constituted to review the implementation of the recommendations. The first meeting of the Council was held on 5th – 6th August 2005 at Kochi, Kerala. A Committee of Chief Secretaries of States and State Panchayati Raj Secretaries has also been constituted under the

Chairmanship of the Secretary, Ministry of Panchayati Raj to monitor the progress on the implementation of the 150 recommendations of the Seven Round Tables and the decisions of the Council of States Ministers of Panchayati Raj. Four review meetings of the Committee have so far been held in April, 2005, June, 2005, September, 2005, and November 2005.

With a view to interacting with Panchayats and carrying out a review with the authorities concerned of the progress in implementing the points for action mutually agreed upon in the Round Tables, a process of visiting the States and UTs at the level of Union Minister for Panchayati Raj has been initiated. Nine States/UTs have been covered so far, including Karnataka, West Bengal, Uttaranchal, Haryana, Chhattisgarh, Orissa, Arunachal Pradesh, Rajasthan and Lakshadweep. Each visit is concluded with a Statement of Conclusions jointly signed with the Chief Minister of the State concerned, highlighting the key points of action on which the State would move to operationalise the recommendations of the Round Tables.

An exercise is also underway to review different statutes with a view to harmonising them with the provisions of Part IX of the Constitution. Similarly, the guidelines of Centrally Sponsored Schemes are being reviewed to ensure the centrality of Panchayats in development planning and implementation. As regards new Centrally Sponsored Schemes, it is proposed to provide for a central role for Panchayats, wherever relevant. Thus, for example, the National Rural Employment Guarantee Act provides for the Panchayats to be the 'principal authorities' for the planning and implementation of schemes under the Act. Steps are also being taken to fill in critical gaps in infrastructure and capacity so that Panchayats can effectively fulfill their constitutional role.

(d) & (e):- The Second Round Table of State Ministers of Panchayati Raj resolved that steps ought to be taken to encourage PRIs to raise their own resources for their own purposes, in accordance with Article 243H.

The 12th Finance Commission has recommended Rs. 20,000 crores for the period 2005-10 as grants to augment the Consolidated Funds of States to supplement the resources of Panchayats. This is an increase over the recommendation of Rs. 8000 crores for the period 2000-05 by the 11th Finance Commission for the same purpose.

An empowered Sub-Committee on Financial and Administrative Empowerment of Panchayati Raj Institutions under the Chairmanship of Minister for Rural Development was set up in March 2003 by the Planning Commission, in pursuance of a decision taken in the National Development Council. The members of the Committee are Deputy Chairman, Planning Commission, Minister of Finance and Company Affairs, Minister of Social Justice & Empowerment, Minister of Tribal Affairs and Chief Ministers of Assam, Bihar, Gujarat, Karnataka, Kerala, Madhya Pradesh, Punjab and Rajasthan. The Terms of Reference of the Sub-Committee include, inter alia, working out the modalities for strengthening the financial domain of the PRIs through transfer of resources from the Centre and State Governments; assessing the capacity of the PRIs to raise revenues and other resources and to develop an action plan in this regard; analyzing the capability of PRIs at different levels to absorb the financial allocation made to the PRIs under different schemes; and to develop a framework to ensure fiscal discipline and financial accountability at different levels of PRIs. The Empowered Sub-Committee has held two meetings so far. The last meeting was held on the 7th August 2003. The Empowered Sub-Committee has been reconstituted on 14th September 2005, with the Union Minister of Panchayati Raj as the Chairperson and the Union Minister of Rural Development added as a member of the Sub-Committee.