

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:1358
ANSWERED ON:01.12.2005
REVIEW OF FINANCIAL STATUS OF PANCHAYATS
Ramadass Prof. M

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Government proposes to appoint a national panel to review financial status of Panchayats in the country; and
(b) if so, the details thereof?

Answer

MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b):- 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 Planning Commission, in pursuance of a decision taken in the National Development Council in this regard. 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 and 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 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. The next meeting of the Sub-Committee is scheduled to be held on 21, December 2005.