

STANDING COMMITTEE ON RURAL DEVELOPMENT

(2012-2013)

39

FIFTEENTH LOK SABHA

MINISTRY OF PANCHAYATI RAJ

**DEMANDS FOR GRANTS
(2013-14)**

THIRTY NINTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

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STANDING COMMITTEE ON RURAL DEVELOPMENT (2012-2013) (FIFTEENTH LOK SABHA)

MINISTRY OF PANCHAYATI RAJ

DEMANDS FOR GRANTS (2013-14)

Presented to Lok Sabha on 30.04.2013

Laid in Rajya Sabha on 30.04.2013



LOK SABHA SECRETARIAT

NEW DELHI

April , 2013/ Vaisakha, 1935 (Saka)

CRD No. 85

Price: Rs.

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

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COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (2012-2013)

Shrimati Sumitra Mahajan - *Chairperson*

MEMBERS

LOK SABHA

2. Shri Thangso Baite
3. Shri Pulin Bihari Baske
4. Dr. Ratna De (Nag)
5. Shri Premchand Guddu
6. Shri Bijoy Krishna Handique
7. Shri Maheshwar Hazari
8. Shri Ramesh Vishwanath Katti
9. Shri Nimmala Kristappa
10. Shri Bishnu Pada Ray
11. Shri M. Rajamohan Reddy
12. Shri Anantha Venkatarami Reddy
13. Shri Arjun Charan Sethi
14. Dr. Sanjay Singh
15. Vacant*
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17. Smt. Annu Tandon
18. Shri Narendra Singh Tomar
19. Smt. Usha Verma
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RAJYA SABHA

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SECRETARIAT

1. Shri Brahm Dutt	-	Joint Secretary
2. Smt. Veena Sharma	-	Director
3. Shri A.K.Shah	-	Additional Director
4. Miss Melody Vungthiansiam	-	Committee Assistant

* Vacancy caused on account of demise of Shri Uma Shankar Singh w.e.f. 24.01.2013

INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2012-2013) having been authorised by the Committee to submit the Report on their behalf, present the Thirty Ninth Report on Demands for Grants (2013-14) 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 02 April, 2013.
4. The Report was considered and adopted by the Committee at their sitting held on 18 April, 2013.
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;
25 April, 2013
5 Vaisakha, 1935 (Saka)

SUMITRA MAHAJAN
Chairperson,
Standing Committee on Rural Development

ABBREVIATIONS

3Fs	Functions, Funds, and Functionaries
ACA	Additional Central Assistance
ARC	Administrative Reforms Commission
ARRS	Action Research and Research Studies
BE	Budget Estimates
BPL	Below Poverty Line
BRGF	Backward Regions Grant Fund
CB/CB&T	Capacity Building/ Capacity Building and Training
CFC	Central Finance Commission
CII	Confederation of Indian Industry
CLGF	Commonwealth Local Government Forum
CSS	Centrally Sponsored Scheme
DAVP	Directorate of Advertising and Visual Publicity
DI	Devolution Index
DPC	District Planning Committee
DPR	Detailed Project Report
EAA	Extremist Affected Area
EAD	Extremist Affected District
ER	Elected Representative
EWR	Elected Women Representative
EYR	Elected Youth Representative
FC	Finance Commission
GIS	Geographic Information System
GOI	Government of India
GP	Gram Panchayat
GS	Gram Sabha
HLMC	High Level Monitoring Committee
HPC	High-Powered Committee
IA	Implementing Agencies
IAP	Integrated Action Plan
ICDS	Integrated Child Development Services
ICT	Information and Communication Technology
IEC	Information, Education, and Communication
IIPA	Indian Institute of Public Administration
IRMA	Institute of Rural Management Anand
ISNA	Information and Service Needs Assessment
ISP	Internet Service Provider
IT	Information Technology
J&K	Jammu & Kashmir
JFMC	Joint Forest Management Committee
LWE	Left-wing Extremism
MAS	Model Accounting System
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MMP	Mission Mode Project
MP	Members of Parliament
MoC	Memorandum of Cooperation
MoPR	Ministry of Panchayati Raj
MPReS	Monthly Progress Report System

MoU	Memorandum of Understanding
MSP	Minimum Support Price
NCBF	National Capacity Building Framework
NCW	National Commission for Women
NE	North Eastern
NeGP	National e-Governance Plan
NGO	Non-Governmental Organisation
NIC	National Informatics Centre
NICSI	National Informatics Centre Services Inc.
NLM	National Level Monitor for BRGF
NPC	National Programme Committee
PEAIS	Panchayat Empowerment and Accountability Incentive Scheme
PESA	Panchayats (Extension to the Scheduled Areas) Act, 1996
PDS	Public Distribution System
PMEYSA	Panchayat Mahila E�am Yuva Shakti Abhiyan
PR	Panchayati Raj
PRI	Panchayati Raj Institution
PRIA	Society for Participatory Research in Asia
PRIA Soft	PRI Accounting System Software
RD	Rural Development
RE	Revised Estimate
RGPSA	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan
RGSY	Rashtriya Gram Swaraj Yojana
RSVY	Rashtriya Sam Vikas Yojana
SC	Scheduled Caste
SEC	State Election Commission
SFC	State Finance Commission
SIPRD	State Institute of Panchayats Rural Development
SIRD	State Institute of Rural Development
SSA	Sarva Shiksha Abhiyan
ST	Scheduled Tribe
TFC	Twelfth Finance Commission/Thirteenth Finance Commission
ULB	Urban Local Body
UT	Union Territory

REPORT

PART I

NARRATION ANALYSIS

Objectives of the Ministry

The mandate of the Ministry of Panchayati Raj flows from Part IX of the Constitution, read with Article 243ZD of Part IX-A relating to District Planning Committees. The major functions of the Ministry are to oversee the implementation of:

- i. Part IX of the Constitution, inserted by the Constitution (Seventy Third Amendment) Act, 1992,
- ii. The provisions of the Panchayats (Extension to the Scheduled Areas) Act (PESA), 1996 and
- iii. Article 243ZD of Part IX-A relating to the District Planning Committees read with the Eleventh Schedule which illustratively sets out a list of 29 matters, which might be considered by the State Legislatures for devolution to the Panchayats so as to ensure that they function as 'units of self-government.' Other functions include:
- iv. Servicing of the Empowered Sub-Committee of the National Development Council (NDC) on Administrative and Financial Empowerment of the Panchayati Raj Institutions (PRIs),
- v. Review of the Central Sector (CS) and Centrally Sponsored Schemes (CSSs) of Ministries which deal with subjects included in the Eleventh Schedule, with a view to encourage Greater role and responsibilities to PRIs in the Planning, implementation and monitoring of these Schemes,
- vi. Capacity building and training of elected representatives of PRIs and promotion efficiency, transparency and accountability on the part of the PRIs.

Schemes of the Ministry of Panchayati Raj

1.2 The following schemes are being implemented by Ministry of Panchayati Raj.

a) Central Sector Schemes

- i. Management Cell (Establishment).
- ii. Media and publicity.
- iii. Action Research and Research Studies
- iv. International Cooperation
 - (a) Contribution to International Organisations
 - (b) External Assistance under Project Assisted by UN Agencies

b) Centrally Sponsored Scheme

Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA).*

c) Additional Central Assistance (ACAs)

Backward Regions Grant Fund. (BRGF)

*The Schemes of RGSY, PEAS, PMEYSA and Mission Mode on e-Panchayats have been merged under RGPSCA.

II. Status of implementation of recommendations contained in the Twenty Ninth report of the Standing Committee on Rural Development on Demands for Grants (2012-13) of the Ministry of Panchayati Raj

1.3 The Twenty Ninth Report of the Standing Committee on Rural Development on Demands for Grants (2012-13) pertaining to the Ministry of Panchayati Raj was presented to Parliament on 3rd May, 2012 and the related Action Taken Report i.e. Thirty Sixth Report was presented to Parliament on 18th December, 2012.

1.4 The Twenty Ninth Report contained 15 recommendations out of which the Government accepted 8 recommendations and 5 recommendations were commented upon by the Committee.

1.5 The Ministry of Panchayati Raj made a Statement in Parliament under Direction 73A of Directions by the Speaker on 29th November, 2012. Out of the total 15 recommendations contained in the Twenty Ninth Report, 9 recommendations have been implemented, 5 are under process and 1 recommendation has not been implemented.

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

III. Overall Analysis

A. Budget Allocations for 2013-2014

1.7 The Demands for Grants (2013-2014) of the Ministry of Panchayati Raj laid on the Table of the Lok Sabha on 22 March, 2013 have made a provision of Rs. 7000.70 crores with Plan component of Rs. 7000 crore and Non-Plan component of Rs. 0.70 crore. This outlay is Rs. 1650 crore higher than the previous years' B.E. of Rs. 5350 crore and Rs. 3000 crore higher than previous years' R.E. of Rs. 4000 crore.

1.8 The Non-Plan and Plan provisions of the Ministry of Panchayati Raj for 2013-2014 are as under:

(Rs. in crore)

Non-Plan	
Secretariat and Economic services	0.70
Plan	
A. Central Sector Schemes	
1. Management Cell	22.00
2. Media and Publicity	15.00
3. Action Research	3.00
4. International Cooperation	
a) Contribution to International Organisations	0.10
b) External Assistance under Projects Assisted by UN Agencies	4.90
Sub Total	45.00
B. Centrally Sponsored Schemes	
5. Rajiv Gandhi Panchayat Sashaktikaran Abhiyan	455.00
C. Additional Central Assistance	6500.00
Total	7000.70

B. Eleventh Five Year Plan (2007-2012)-Outlay and expenditure

1.9 The Budget Estimates, Revised Estimates and Actual Expenditure of the Ministry during the Eleventh Plan (2007-12) period is as under:

(Rs. in crore)

Budget Estimate	24,724.00
Revised Estimate	22,295.26
Actual Expenditure	22,259.753

1.10 During the course of examination the Committee pointed out that there is a huge gap of Rs. 2,428.74 crores from B.E to R.E level and there is a gap of Rs. 35.247 crore between R.E and actual expenditure. Asked about the reasons for huge cut from BE to RE of the Ministry's outlay during the Eleventh Plan outlay, the MoPR in a written note replied as under:

“BRGF was launched in February 2007. During initial years of its implementation, most of the States did not have DPCs. BRGF being a process oriented programme, the Ministry received proposals late in the 3rd & 4th quarter of the financial years. Therefore, non-receipt of proposals in time, accompanied with the documents such as UCs, physical & financial progress report, audit report etc. from the State Governments was the main reason due to which funds could not be utilized which led to a cut at RE level by the Ministry of Finance.”

1.11 The scheme wise performance of different schemes of the Ministry during the Eleventh Five Year Plan period (2007-2012) is as under:

(Rs. in crore)

Scheme	Eleventh Five Year Plan (2007-08 to 2011-12)			
	B.E.	R.E.	Actual Exp.	Percentage Achievement w.r.t. R.E.
1.	2.	3.	4.	5.
Rashtriya Gram Swaraj Yojana (RGSY)	228.50	265.27	254.60	96.00
Panchayat Empowerment & Accountability Incentive Scheme	65.90	65.90	65.55	99.47
Media & Publicity	40.70	64.79	63.65	98.08
Panchayat Mahila E�am Yuva Shakti Abhiyan	17.00	16.00	11.88	74.25
Rural Business Hubs	10.30	8.30	6.58	79.28
Action Research and Research Studies	12.10	13.20	10.25	77.65
Mission Mode Project on e-Panchayats	93.20	82.28	81.96	99.61
Management Cell	57.00	63.56	56.36	88.68
UN Assisted Project	24.80	24.80	24.80	100.00
Contribution to CLGF	0.50	0.50	0.263	52.60
North Eastern Region and Sikkim	64.00	63.66	60.29	94.70
Backward Region Grant Fund (Additional Central Assistance to State Plan).	24110.00	21627.00	21623.46	99.98
TOTAL	24,724.00	22,295.26	22,259.753	99.84

1.12 The Committee pointed out that the Ministry of Panchayati Raj has shown 99.84 % achievement as compared to R.E. Asked about the achievement rate with reference to B.E for Eleventh Plan, the MOPR in a written note stated as under:

"During the Eleventh Plan, the Ministry's achievements against BE was 90.03%..."

1.13 The Committee further pointed out that the Mid Term Review of Schemes of the Ministry had revealed certain constraints coming in the way of working of PRIs and had suggested certain scheme wise remedial measures for mid course corrections during Eleventh Plan. The Committee wanted to know the remedial measures taken and whether the constraints had been addressed. The Ministry of Panchayati Raj in a written note stated:-

"During the Mid Term Appraisal of the Eleventh Five Year Plan, it was felt that there is a need to: -

- a. Develop a strategy for training and capacity building.
- b. Restructure Backward Regions Grant Fund programme
- c. Discontinue Rural Business Hubs.
- d. Pursue the States to implement PESA in letter and spirit and protect the Forest Rights of the Scheduled Tribes.

The Ministry of Panchayati Raj has taken initiatives to address these issues by formulating a new programme of RGPSA. Capacity building component of BRGF will also be utilized under RGPSA. RGPSA also provides for upgradation and strengthening to enhance the capacity of training institutions to enable them to undertake need based training of the elected representatives and functionaries of the PRIs. Planning Commission is working on restructuring of BRGF programme. The RBH has already been discontinued in the Twelfth Plan. States are being pursued regularly to amend their subject laws to make them PESA compliant."

C. Twelfth Plan (2012-2017)

1.14 As per the Ministry of Panchayati Raj, during the Twelfth Plan (2012-17) the following funds will be available for the Ministry:

Sl. No.	Schemes	Amount (Rs. in crore)
1.	Central Sector Schemes	277.00
2.	Centrally Sponsored Schemes	6160.00
3.	Additional Central Assistance (BRGF)	29306.00
TOTAL		35743.00

1.15 Elaborating 12th Plan allocations vis-à-vis 11th Plan, the MOPR stated as under:

"During the Twelfth Plan, an outlay of Rs.6437 crore has been allocated under the Central Plan as compared to Eleventh Plan of Rs. 876.37 crore which is more than 7 times of the Eleventh Plan

outlay. Under BRGF, the 12th Plan outlay has been kept at Rs. 29306 crores as compared to Eleventh Plan outlay of Rs. 24110 crore which is a 21% increase over the Eleventh Plan outlay.”

1.16 Explaining it further, the Secretary, MoPR during the evidence explained:

“During the 12th Plan, the total plan outlay has been fixed at Rs.35,743 crore as compared to 11th Plan outlay of Rs.24,724 crore and the revised outlay of Rs.22,295 crore. This indicates an increase of 45 per cent and about 60 per cent over the BE and the RE of the 11th Plan outlay. Of this Rs. 35,743 crore, Rs.6,437 crore is allocated for the Central Plan and Rs.29306 crore is allocated for the BRGF scheme. Of the Rs.6,437 crore, the major chunk of Rs.6,160 crore is allocated for new scheme, RGPSA over the 12th Plan period. Against the RE outlay of Rs.22,295 crore for the 11th Plan, we have been able to achieve about 99.8 per cent expenditure and if you take the BE figure, although BE was not available to us, having been reduced in the RE, even then, our performance was about 90 per cent, which could be achieved.”

1.17 Asked about the priorities of the Ministry during the Twelfth Five Year Plan, the MoPR in a written note stated as under:

“The priority of the Ministry is to strengthen the PRIs by providing administrative and technical support of Gram Panchayat level, assistance for planning, infrastructure and building the capacity of elected representatives for their effective functioning and also to incentivize the States to devolve more powers to Panchayats. Functioning of Panchayats will also be made more transparent and accountable through e-Panchayat.”

1.18 During the course of evidence, the Secretary, MoPR also explained as under:

“Our focus areas for the 12th Plan will continue to be to encourage and enlarge the scope of devolution of roles and responsibilities to the panchayats, not only through the CCSs, but also through State legislations in various state sector schemes. Secondly, to develop a strategy for training and capacity building, particularly at the grassroots; we have been mostly giving training through SIRDs, but we would like not only to strengthen them and to set up a separate unit for panchayat raj training in SIRDs, but also to strengthen them at the district and the block levels so that the elected women representatives do not have to travel too far to get their training. Thirdly, to strengthen the administrative and technical support for Gram Panchayats. We will do this through RGPSA; fourthly, to pursue with the States for implementation of PESA; fifthly to implement a restructured BRGF schemes with the block as the unit of backwardness, for which we have taken up the matter with the Planning Commission; the Planning Commission is in the process of doing the restructuring of BRGF and the Ministry of Panchayat Raj has already sent its views on this aspect.”

1.19 The Committee enquired about year-wise and scheme-wise details regarding amount proposed by the Ministry vis-à-vis amount allocated by the Planning Commission for the Twelfth Five Year Plan, the MOPR in a written note stated as under:

“Year-wise allocation is decided on the basis of annual allocation made by the Planning Commission during the Annual Plan discussion every year. Accordingly, annual allocation for each scheme is made. It may not be possible to indicate annual allocation for the scheme during the coming years. However, the outlay proposed and actual agreed by the Planning Commission for the year 2012-13 and 2013-14 is given **below**:-

(Rs. in crore)

Sl. No.	Scheme	12 th Plan 2012-17 Approved Outlay	2012-13		2013-14	
			Proposed	Approved	Proposed	Approved
(A) Central Sector Schemes						
1	Management Cell (Establishment)	125.00	20.00	20.00	22.00	22.00
2	International Cooperation:	25.00				
a.	Contribution to International Organisations	0.50	0.10	0.10	0.10	0.10
b.	External Assistance under Projects Assisted by UN Agencies	24.50	4.90	4.90	4.90	4.90
3	Media & Publicity	100.00	25.00	19.00	18.00	15.00
4	Action Research	19.00	4.00	3.00	4.00	3.00
5	Resource Support to State	8.00	10.00	8.00	-	-
6	PMEYSA	-	-	1.75	-	-
7	RBH	-	-	0.25	-	-
Total (A)		277.00	64.00	55.00	49.00	45.00
(B) Centrally Sponsored Schemes						
8	RGPSA*	6160.00	670.00	50.00	1252.00	455.00
a.	Manpower	-	50.00	-	-	-
b.	Infrastructure	-	15.00	40.00	-	-
c.	e-enablement	-	56.00	40.00	-	-
d.	Support to Panchayat processes	-	100.00	-	-	-
e.	Strengthening Gram Sabha (PESA)	-	11.00	-	-	-
f.	Training of EF & PF	-	330.00	75.00	-	-
g.	Institutional Structure	-	11.00	-	-	-
h.	Incentivization	-	50.00	40.00	-	-
i.	Support to innovation	-	5.00	-	-	-
j.	Strengthening SECs	-	10.00	-	-	-
k.	IEC	-	3.00	-	-	-
l.	Programme Management	-	29.00	-	-	-
Total (B)		6160.00	670.00	245.00	1252.00	455.00
(C) Additional Central Assistance (ACA)						
9	Backward Regions Grant Fund	29306.00	5000.00	5050.00	6,000.00	6500.00
Grand Total (A+B+C)		35743.00	5734.00	5350.00	7301.00	7000.00

D. Annual Plan (2012-13)

1.20 The allocation vis-à-vis utilization of funds during Annual Plan (2012-13)

(Rs. in crore)

Scheme	BE	RE	Actual as on 28.2.13	Percentage Achieved w.r.t. RE
Central Sector Schemes	95.00	90.00	24.89	27.65
Centrally Sponsored Schemes	205.00	176.00	72.60	41.25
Additional Central Assistance (ACA)	5050.00	3734.00	2587.82	69.30
Total	5350.00	4000.00	2685.31	67.13

1.21 The Committee pointed out huge reduction of Rs. 1350 crore from B.E level to R.E level. Asked about the reasons for huge reduction in allocations and its impact on different programmes of MoPR the Ministry in a written note stated:-

"The Ministry of Finance reduced the BE by Rs. 1350 crores at the RE stage keeping in view the pace of expenditure upto October 2012. Since the action plans under BRGF are usually submitted by the States late in the third quarter of the year, the expenditure picks up at the end of the third quarter and during the last quarter of the year. Certainly, reduction in the outlay will adversely affect the programme."

1.22 The Committee during the course of examination also drew the attention of MoPR to Para no. 2.3 of their Twenty Ninth Report on Demands for Grants (2012-13) of the Ministry presented to the House on 3rd May, 2012 wherein they had recommended that the practice of reduction of funds at R.E stage by the Ministry of Finance should be stopped as the Ministry directly deals with functioning and strengthening of Panchayats. Inspite of the above recommendation, the Committee pointed out that R.E of the Ministry during 2012-13 has been substantially reduced. Asked whether the MoPR has taken up the matter with Ministry of Finance in this regard, the MoPR in a written note replied as under:-

"The matter was taken up with the Ministry of Finance, however, Ministry of Finance did not agree to restore reduction. The respective schemes and programmes may get affected due to less release."

1.23 The Committee also pointed out that the Ministry has not been able to utilize the R.E of Rs. 4000 crore in full and could utilize only Rs. 2,685.31 crore leaving an amount as huge as Rs. 1,314.69 crore unutilized as on 28.02.2013. Asked about the main reasons for non-utilization of funds of this huge order, the MoPR in a written note stated as under:-

"BRGF is a process oriented programme and usually proposals from the State Governments are received late. Similarly, other schemes such as RGSY, Media, e-Panchayats, Action Research, PMEYSA etc. are demand driven and funds are released depending upon the proposals received from the implementing agencies. However, the Ministry likely to utilize the entire RE of 2012-13 by the end of March, 2013."

1.24 Asked about the basis behind appending Monthly Expenditure Plan along with the Detailed Demands for Grants document when this is not followed in letter and spirit, the MoPR in a written note stated as under:-

"Most of the programmes of the Ministry are demand driven. The release of funds depends upon the receipt of proposals complete in all respects, from the implementing agencies. The Monthly Expenditure Plan sets out targets for expenditure against Budgeted Provisions. However achievement of these targets also depends on the timely receipt of proposals from States."

E. Unspent Balances

1.25 The MoPR has given the following scheme wise unspent balances during 2012-13.

(Rs. in crore)

Sl. No.	Name of Scheme	Amount
A. Central Sector Schemes		
(i)	Management Cell	9.12
(ii)	Internation Cooperation: (a) Contribution to International Organisations (b) External Assistance under Projects Assisted by UN Agencies	0.03 4.00
(iii)	Media and Publicity	5.58
(iv)	Action Research	1.67
(v)	Resource support to States	4.36
(vi)	PMEYSA	1.17
(vii)	Rural Business Hubs	0.18
(viii)	PEAIS	39.00
B. Centrally Sponsored Schemes		
(i)	RGSPA	50.00
(ii)	RGSY	19.10
(iii)	e-Panchayat	34.30
C. Additional Central Assistance		
	BRGF	1146.18

1.26 The Committee drew the attention of MoPR to Para No. 2.14 of their Twenty Ninth Report on Demands for Grants (2012-13) of the Ministry presented to the House on 3rd May, 2012 wherein they had recommended that the Ministry should devise practical solution to the perennial problem of unspent balances. The Committee pointed out that in spite of their recommendation the huge funds of Rs. 1314.31 crore are lying unutilized under different schemes of the Ministry as on 28th February, 2013. Asked about the concrete action taken by the Ministry in pursuance of the recommendation of the Committee for wiping out unspent balances, the MoPR in a written note stated as under:

“The Ministry has been continuously monitoring the progress of the implementation of BRGF and other programmes with the States through review meeting, video conferencing etc. The necessary guidance and clarifications are being provided to the States from time to time to quicken the pace of the expenditure and claim full entitlement.”

Funds Surrendered

1.27 The Ministry of Panchayati Raj has given the following details about funds surrendered during 2011-12 by the Ministry as compared to B.E, R.E and Actual Expenditure.

(Rs. in crore)

1.	B.E (Plan & Non-Plan)	5250.65	(5250.00 + 0.65)
2.	R.E (Plan & Non-Plan)	4114.41	(4113.76 + 0.65)
3.	Actual Expenditure		4107.44
4.	Amount surrendered		1143.63

1.28 Asked about the reasons necessitating surrender of huge amount during 2011-12 by the Ministry, the MoPR in a written note stated as under:

“The funds were surrendered by the Ministry during 2011-12 due to cut made by the Ministry of Finance at the RE stage.”

1.29 The Committee also enquired whether MoPR is to surrender any funds during 2012-13, the MoPR in a written note stated as under:-

“Yes. The Ministry of Finance has already made a cut of Rs. 1350 crores during 2012-13.”

1.30 Explaining it further, the Secretary, MoPR stated during evidence:

“The Ministry’s performance against the RE of 2012-13, which is the financial year just completed, our BE of Rs.5350 crore was revised at the RE stage in October by the Ministry of Finance to Rs.4000 crore. That has effected a cut of Rs.1350 crore. This was mainly because under BRGF, which is a fairly process oriented scheme, as you are aware, the District Planning Committees, which are mandated through the Constitution, operate for clearing plans under BRGF. This whole process takes a lot of time and by the time, we receive the State Plans from the States, the RE meetings have been concluded. It is only post-September that we start getting flood of these plans. However, notwithstanding the cut in the RE, we have been able, with a lot of efforts, to maximize our utilization of even the RE of Rs.4000 crore, except for a small amount of Rs.14 crore, which had to be surrendered on the 31st March, 2013.”

F. Implementation of the Panchayats (Extension to Scheduled Areas) Act, 1996

1.31 The provisions of Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) extends Part IX of the Constitution with certain modifications and exceptions, to the Schedule V areas of nine States viz. Andhra Pradesh, Chattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha and Rajasthan.

1.32 With regard to implementation of PESA by different States with Scheduled Areas, Section 4 (a) of the PESA Act stipulates as under:

"Notwithstanding anything contained under Part IX of the Constitution, the Legislature of a State shall not make any law under that Part which is inconsistent with any of the following features, namely:-

(a) a State legislation on the Panchayats that may be made shall be in consonance with the customary law, social and religious practices and traditional management practices of community resources."

1.33 The following sub-clauses of Section 4 of the PESA legislation deal with empowerment of Gram Sabha in above nine PESA States:

(d) every Gram Sabha shall be competent to safeguard and preserve the traditions and customs of the people, their cultural identity, community resources and the customary mode of dispute resolution;

(e) every Gram Sabha shall

i. approve of the plans, programmes and projects for social and economic development before such plans, programmes and projects are taken up for implementation by the Panchayat at the village level;

ii. be responsible for the identification or selection of persons as beneficiaries under the poverty alleviation and other programmes;

(f) every Panchayat at the village level shall be required to obtain from the Gram Sabha a certification of utilisation of funds by that Panchayat for the plans, programmes and projects referred to in clause(e);

(h) the State Government may nominate persons belonging to such Scheduled Tribes as have no representation in the Panchayat at the intermediate level or the Panchayat at the district level:

Provided that such nomination shall not exceed one-tenth of the total members to be elected in that Panchayat;

(i) the Gram Sabha or the Panchayats at the appropriate level shall be consulted before making the acquisition of land in the Scheduled Areas for development projects and

before re-settling or rehabilitating persons affected by such projects in the Scheduled Areas; the actual planning and implementation of the projects in the Scheduled Areas shall be coordinated at the State level;

- (j) planning and management of minor water bodies in the Scheduled Areas shall be entrusted to Panchayats at the appropriate level;
- (k) the recommendations of the Gram Sabha or the Panchayats at the appropriate level shall be made mandatory prior to grant of prospecting licence or mining lease for minor minerals in the Scheduled Areas;
- (l) the prior recommendation of the Gram Sabha or the Panchayats at the appropriate level shall be made mandatory for grant of concession for the exploitation of minor minerals by auction;
- (m) while endowing Panchayats in the Scheduled Areas with such powers and authority as may be necessary to enable them to function as institutions of self-government, a State Legislature shall ensure that the Panchayats at the appropriate level and the Gram Sabha are endowed specifically with-
 - (i) the power to enforce prohibition or to regulate or restrict the sale and consumption of any intoxicant;
 - (ii) the ownership of minor forest produce;
 - (iii) the power to prevent alienation of land in the Scheduled Areas and to take appropriate action to restore any unlawfully alienated land of a Scheduled Tribe;
 - (iv) the power to manage village markets by whatever name called;
 - (v) the power to exercise control over money lending to the Scheduled Tribes;
 - (vi) the power to exercise control over institutions and functionaries in all social sectors;
 - (vii) the power to control over local plans and resources for such plans including tribal sub-plans.

1.34 About powers of Gram Sabha in the Scheduled Areas, the MoPR stated that Gram Sabhas under PESA are deemed to be 'competent' to safeguard and preserve the traditions of their people, community resources and customary mode of dispute resolution. The Gram Sabhas further have:

- (a) mandatory executive functions to approve plans of the Village Panchayats, identify beneficiaries for schemes, issue certificates of utilization of funds;

- (b) right to mandatory consultation in matters of land acquisition, resettlement and rehabilitation and prospecting licenses/ mining leases for minor minerals;
- (c) power to prevent alienation of land and restore alienated land;
- (d) power to regulate and restrict sale/ consumption of intoxicants;
- (e) power to manage village markets, control money lending to STs;
- (f) ownership of minor forest produce;
- (g) power to control institutions and functionaries in all social sectors;
- (h) power to control local plans and resources for such plans.

1.35 Stating the implementation of PESA, MoPR stated that they have urged the States to make their Panchayat and subject Acts compliant to the PESA Act. The status of PESA compliance of State Panchayat Acts and Subject laws is as shown below:

Compliance of State Panchayati Raj Acts

1.36 MoPR has given the following State-wise compliance of State subject laws as under:

Compliance of State Subject laws

States	Land Acquisition	Excise	Forest Produce	Mines & Minerals	Village Market	Money Lending
AP	N	Y	N	Y	Y	N
Chhattisgarh	N	Y	N	Y	N	Y
Gujarat	N	NA	NA	N	N	N
HP	Y	Y	Y	Y	Y	N
Jharkhand	N	N	N	N	N	N
Odisha	N	Y	Y	Y	N	Y
Maharashtra	N	N	N	N	N	N
MP	Y	Y	N	Y	Y	N
Rajasthan	N	N	NA	Y	N	Y

1.37 The MoPR has stated that following initiatives have been taken to speed up the implementation of PESA Act.

1. Draft Model Rules for PESA have been circulated to nine PESA States for effective implementation of PESA and States of Andhra Pradesh, Himachal Pradesh, Rajasthan and Odisha have framed their own rules.
2. Guidelines on implementation of PESA have been issued to nine States.
3. Field visits of officials have taken place on implementation of PESA.
4. National Consultation Workshop on implementation of PESA was held on 21.09.2012 and a review meeting was held on 17.01.2013.

1.38 The MoPR has also stated that in addition to this they have also taken up with the Planning Commission to review compliance of PESA Act in Annual Plan discussions and with various Central Ministries administering flagship programmes to amend scheme guidelines for ensuring compliance with PESA provisions and make parallel bodies, if any, accountable to Gram Panchayat through the Gram Sabha.

G. Panchayat Finances

1.39 The MoPR stated that Panchayat Finances are sourced from Central Finance Commission as also State Finance Commission Awards. About Central Finance Commission the MoPR has stated that the Thirteenth Finance Commission has estimated Rs. 63,050 crore as Grant payable to PRIs comprising Rs. 41,225 crore as Basic Grant and Rs. 21,825 crore as Performance Grant for the award period of 2010-15. The allocation and releases of Basic Grant and Performance Grant for General Area and Special Areas as given by the MoPR is given in Annexures I, II, III and IV.

1.40 For State Finance Commissions, the MoPR has stated that the 73rd Amendment to the Constitution has mandated the Panchayats, with several matters as listed in the Eleventh Schedule for planning and implementation. While the States have generally assigned many of these functions to Panchayats, the corresponding devolution of funds and functionaries remains a critical issue. The own revenues of the Panchayats being very small, they largely depend on the devolution of funds from the Central and the State Governments and the Finance Commissions. In fact, the State Finance Commissions' (SFCs) recommendations also play an important role in the award of the Central Finance Commission.

1.41 The MoPR has also stated that there has been a growing concern about the functioning and reports of the SFCs. The SFCs themselves are not staffed with adequate and knowledgeable professionals. They have to work with inadequate data. Their recommendations are not given due consideration by the State Governments. The States have the basic responsibility of enhancing the credibility of the SFCs. The SFCs, therefore, need to be strengthened and their work/ reports streamlined in many ways, including some standardization in their methods and approaches. The MoPR has also stated that a task force has been constituted to study the present status of State Finance Commissions (SFCs) and to make recommendations for their strengthening to enable them to perform their functions as envisaged under Article 243-I (1) of the Constitution of India. The first meeting of the Task Force was held on 18th September, 2012. A consultation Paper on the status of functioning of State Finance Commissions (SFCs) and suggestions for their strengthening has been circulated to all Members of the Task Force and all SFC for their comments.

H. Centrality of Panchayats in Central Sector and Centrally Sponsored Schemes (CSSs)

1.42 The task of review of the Central Sector (CS) and Centrally Sponsored Schemes (CSSs) of Ministries which deal with subjects included in the Eleventh Schedule, with a view to encourage greater role and responsibilities to PRIs in the planning, implementation and monitoring of these Schemes. The Committee pointed out that MoPR is almost a decade old and two decades have passed after Constitution (Seventy Third Amendment)Act of 1992. Asked in what way the Ministry has been able to achieve the mandate in the areas of District Planning Committees read with Eleventh Schedule of the Constitution, compliance of PESA, review of Central Sector (CS) and Centrally Sponsored Schemes (CSSs) for greater role for PRIs, the Ministry in a written note stated as under:

"Though, the Seventy Third Amendment of the Constitution came into force in 1993, serious efforts have been made for devolution of powers to Panchayats since 2004 when the Ministry of Panchayati Raj came into existence. The District Planning Committees have been constituted in all the States/UTs which are covered under Part IX of the Constitution. The Ministry has been continuing to advocate and facilitate the States/UTs for empowerment of Panchayats through various initiatives taken up under BRGF, PEAIS and RGSY. Devolution to Panchayats has been advocated for different CSS schemes. Devolution by the States is incentivized through PEAIS. BRGF has incentivized constitution of DPCs in district where it is implemented. At present, the BRGF is implemented in 272 identified backward districts. These districts become eligible for funding only when they submit the District Plan duly consolidated by the District Planning Committee. Under the new scheme of RGPSA, the States will be incentivized to prepare District Plan in the non-BRGF districts also. The capacity building programme has raised the capacity of elected representatives. Various Central Ministries have now provided centrality to Panchayats in their programmes, guidelines such as MGNREGS, NRLM, National Watershed Development Programme, Sanitation, Sarva Shiksha Abhiyan, Mid Day Meal programme, National Rural Health Mission etc. Ministry also brought to focus the provision of PESA among the Central Ministries and State Governments concerned to make their laws PESA compliant."

1.43 On the issue of leveraging the Panchayati Raj, the MoPR stated that the Ministry of Panchayati Raj constituted an Expert Committee on 27th August, 2012 under the Chairmanship of Shri Mani Shankar Aiyar, Member of Parliament (Rajya Sabha) to review the existing policy and guidelines of relevant Central Sector/ Centrally Sponsored Schemes dealing with social sector/ anti poverty programmes and to give specific recommendations on (a) appropriate role and responsibility of Panchayats at different levels based on the principle of subsidiarity, (b) for strengthening their capacity to deliver services and (c) for making them accountable to respective Gram Sabhas. The Committee will also flag the constraints that may come up in operationalising the delivery system through the PRIs and suggest ways and means of dealing with the same and to suggest ways to incentivize States to devolve three F's i.e Functions, Funds and Functionaries to Panchayats. The Report of the Expert Committee is expected to be finalized by April, 2013.

III. SCHEME-WISE ANALYSIS

Centrally Sponsored Schemes

A. Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)

1.44 The Ministry stated that in order to continue the process of strengthening the Panchayati Raj system and also to address critical gaps that constrain it, it has been decided to launch and implement the Scheme Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) during the Twelfth Plan period. RGPSC aims to:-

- (i) Enhance capacities and effectiveness of Panchayats and the Gram Sabhas;
- (ii) Enable democratic decision-making and accountability in Panchayats and promote people's participation;
- (iii) Strengthen the institutional structure for knowledge creation and capacity building of Panchayats;
- (iv) Promote devolution of powers and responsibilities to Panchayats according to the spirit of the Constitution and PESA Act;
- (v) **Strengthen Gram Sabhas to function effectively as the basic forum of people's participation, transparency and accountability within the PRI system;**
- (vi) Create and strengthen democratic local self-government in areas where Panchayats do not exist;
- (vii) Strengthen the Constitutionally mandated framework on which Panchayats are founded.

1.45 The B.E and R.E for 2012-13 and proposed for 2013-14 for the RGPSC are as under:

(Rs. in crore)		
Year	Amount	Expenditure
2012-13(B.E)	50.00	-
2012-13(R.E)	50.00	0.00 (upto 28.02.2013)
2013-14 (B.E)	455.00	-

1.46 The Committee pointed out that entire amount of Rs. 50 crore remained unutilized in the first year of 12th Plan. The Committee enquired whether the Ministry has surrendered this amount, the Ministry in a written reply stated as under:-

"The scheme of RGPSC was approved by the Cabinet Committee on Economic Affairs (CCEA) on 7.3.2013 with small modification. During 2012-13, this Ministry has interacted intensively with States/ UTs for the preparation of perspective plans under RGPSC. Limited proposal from States

were also obtained against the available Plan allocation of Rs. 50.00 crore for RGPSA during 2012-13. The proposals received from the States/ UTs were considered by the Central Executive Committee of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan. Releases in RGPSA are under process. Thus, the Plan allocation for RGPSA available for 2012-13 has not been surrendered in toto."

1.47 During the course of evidence, the Secretary (Ministry of Panchayati Raj) also informed:

"Of the token Budget provision of Rs.50 crore which was kept in 2012-13 Budget, we have been able to utilise about Rs.44 crore. States had come up. We had had very intensive workshops throughout last year to educate the States and to guide them on the preparation of their State Plans and this paid off. About 15 States had prepared their plans and the Empowered Executive Committee held a meeting on the 15th of March and passed about 13 plans. In two cases the Secretaries of the Panchayati Raj were not present to present their case. So, we could not take up that."

1.48 Explaining the features of RGPSA, the Secretary (MoPR) stated as under:

"During the 12th Five-Year Plan, this is mainly sought to be achieved by our Ministry through the new flagship Rajiv Gandhi Panchayat Sashaktikaran Abhiyan. The scheme integrates various smaller schemes that we are running during the 11th Plan plus a few additional components and lists out a menu of activities from which States have the flexibility to choose those components as per their priority and as per their needs for strengthening Panchayats. The resource that can access through the Budget will be based on preparation of State Annual Plans and State Perspective Plans for five years which will have targets outlined and which will be subject also to a performance review.

Starting next year, 20 per cent of the scheme funds will be linked to performance on these targets. The scheme is structured on 75:25 sharing pattern, 90:10 for Northeastern States. The scheme was recently approved by the CCEA in March 2013."

1.49 The Secretary (MoPR) further informed:

"In the BE of 2013-14, under the Plan and non-Plan, as you had pointed out yourself, MOPR had allocated Rs.7000.70 crore, of which Rs.6500 crore is under BRGF and Rs.455 crore is under RGPSA. There was a budget announcement by the Finance Minister during the budget speech that the RGPSA will get a further additional allocation of Rs.200 crore, in case it is required during the course of the year. so, we could always access through one of the supplementaries. So, that will bring the RGPSA allocation to above Rs.655 crore."

1.50 The Committee further enquired about the component wise details of Rs. 455 crore proposed for 2013-14, the Ministry in a written note stated as under:-

"RGPSA allows States to undertake different activities from the permitted range of activities set out in the scheme guidelines. There are no component-wise bifurcations except for a ceiling of 25% on Gram Panchayat buildings and 5% on management cost. State plan will be approved by the Central Executive Committees, RGPSA. The activities for which States may access support include (i) Administrative and Technical Support to Panchayats, (ii) Gram Panchayat Buildings, Capacity Building and Training of Elected Representatives & Functionaries, Institutional Structure for Training at State, District & Block level, e-enablement of Panchayats Panchayat Processes and

Procedures in Panchayats with In adequate Revenue Base, Special Support for Gram Sabhas in PESA and North East (NE) Areas, Programme Management, Information, Education, Communication (IEC), Strengthening of State Election Commissions (SECs), Innovative activities by States. At the National level, technical support will be provided to States, innovations will be supported and best performing Panchayats and Gram Sabhas incentivized."

1.51 The Committee pointed out that the Ministry had stated that as the status of Panchayats varies across States, States need to undertake different activities to strengthen their Panchayati Raj systems with reference to their specific requirements and context. RGPSA allows a range of activities to be undertaken by States as per State needs within a permitted set of activities set out in the Scheme Guidelines, so that each State can bring about needed changes to strengthen its Panchayati Raj system. Budgetary support under RGPSA is based on the submission and approval of Perspective and Annual State plans, under which States would undertake specific targets regarding various components of the Scheme. The Committee wanted to know whether different States/ UTs have necessary preparedness for implementation of the programme, the MoPR in a written note informed:

"The States/ UTs had been sensitized substantially for preparing their Perspective/ Annual Plan 2012-13 and 2013-14. A workshop in this regard was held in Delhi on 27th September, 2012 and the regional consultations were held on 29th January, 2013 at NIRD, Hyderabad; 5th February, 2013 at Vigyan Bhawan, New Delhi and 11th February, 2013 at NIRD-NERC, Guwahati. Some States, such as Karnataka and Maharashtra showed greater capacity for planning. MoPR will support States that need such support in preparing plans."

1.52 The Ministry in their written note also stated as follows:

"There are an estimated 28 lakh ERs, including many from marginalized groups, and many '**first-timers**', **who work in a public institution for the first time when they get elected to Panchayats**, as well as 10 lakh Panchayat functionaries. However, the institutional structure to support the capacity building exercise needed is grossly inadequate or non-existent. There is no institute at the national level which can be developed as a Centre of Excellence for Local Self Governance and provide technical and intellectual support to the Centre and the States to deal effectively with extant and emerging issues. At the State level, State Institutes of Rural Development (SIRDs) cater mainly to training for rural development, and usually have only one or two faculty engaged in training of ERs and Panchayat functionaries. In fact, given the huge number of ERs, and emphasis on reservation for women, SC/ST, training has to be carried out at the district and block levels, to facilitate these groups. Yet the institutional structure at the district and sub-district level for this is totally inadequate. The proposed scheme of RGPSA will address these issues related to CB&T. It is also important to support the cost of processes of Panchayat including Gram Sabha meetings where **Panchayats do not have their own source of revenue.**"

1.53 Asked as to how the Ministry were going to address the above challenges and constraints under RGPSA during 2013-14 and in subsequent years during Twelfth Plan, the MoPR in a written note stated as under:

"The following activities are permitted in RGPSA:-

1. Strengthening of SIRDs
2. Establishment / strengthening of District Resource Centers
3. Establishment of Block Resource Centers
4. Support for Panchayat processes for Panchayats with a low revenue base.

The above activities will address the constraints."

1.54 The MoPR in a note also stated that the overall policy direction of the scheme will be provided by the Central Steering Committee, RGPSA, headed by the Union Minister for Panchayati Raj. The executive decisions of the scheme will be taken by the Central Executive Committee, RGPSA headed by Union Secretary. To enable States to strengthen their Panchayati Raj systems in their context, RGPSA allows States to choose from among a menu of activities. States would access funds on the basis of perspective and annual plans prepared under the scheme.

1.55 Outlining the funding under RGPSA the MoPR stated that States would be required to fulfill the following essential conditions for accessing RGPSA funds:

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

1.56 Explaining the implementation mechanism under RGPSA, the MoPR stated that RGPSA will provide performance linked funds from 2014-15 onwards. Twenty percent scheme funds will be linked to action taken by States to implement the provisions of the 73rd Amendment in respect of following areas:

- Articulating an appropriate policy framework for providing administrative and technical support to Panchayats.
- Strengthening the financial base of Panchayats by assigning appropriate taxes, fees, etc.
- Provision of untied funds to Panchayats and timely release of SFC and Central Finance Commission (CFC) grants.
- Ensuring devolution of functions, funds and functionaries.
- Preparing and operationalizing a framework for bottom-up grassroots planning and convergence through the DPC.
- Ensuring free and fair elections, and making the SEC autonomous.
- Strengthening the institutional structure for capacity building of Panchayats, selecting suitable partners for capacity building, and improving outreach and quality of capacity building.

- Putting in place a system of performance assessment of Panchayats.
- Strengthening Gram Sabhas, promoting Mahilla Sabhas/ Ward Sabhas.
- Institutionalizing accountability processes such as voluntary disclosure of information and social audit.
- Strengthening the system of budgeting, accounts and audit, including use of e enabled processes. Maintenance of Panchayat accounts on-line at least for District and Intermediate Panchayats. Issuing of guidelines/ rules for voluntary disclosure of budget and accounts by Panchayats.
- Ensuring compliance of State Laws and Rules with PESA.

1.57 In reply to a question the MoPR stated that Capacity Building and Training of Elected Representatives of functionaries' activities will be funded as per the National Capability Building Framework (NCBF).

B. Additional Central Assistance (ACA)

Backward Regions Grant Fund (BRGF)

1.58 The Backward Regions Grant Fund Programme (BRGF) was launched by the Government on 19th February 2007. BRGF is in the nature of Additional Central Assistance to State Plans and was initiated to redress regional imbalances in development by way of providing financial resources for supplementing and converging existing developmental inflows in the identified backward districts, so as to bridge critical gaps in local infrastructure and other development requirements that are not being adequately met through existing inflows. As of now the programme is implemented in the 272 selected backward districts in various states as shown in Annexure V. Under BRGF Rs. 6500 crore has been provided as Additional Central Assistance to State Plan for 2013-14 against BE of Rs. 5050 crore during 2012-13. This is funded 100% by Government of India.

1.59 The B.E, R.E and Actual Expenditure during 2011-12, 2012-13 and B.E proposed for 2013-14 are as under:

(Rs. in crore)

Year	Amount	Expenditure
2011-12 (B.E)	5050.00	-
2011-12 (R.E)	3917.00	3917.00
2012-13(B.E)	5050.00	-
2012-13(R.E)	3734.00	2587.82 (upto 28.02.2013)
2013-14 (B.E)	6500.00	-

1.60 The Committee pointed out that there was a reduction of Rs. 1133 crore and Rs. 1316 crore from B.E to R.E stage during 2011-12 and 2012-13. Asked about the reasons for huge cut at R.E stage during 2011-12 and 2012-13, the Ministry in a written note stated as under:

"This was due to non receipt of proposals accompanied with requisite documents like utilisation certificates (UCs), physical and financial progress reports and audit reports from the State Governments."

1.61 The Committee further asked as to how the Ministry propose to utilize the allocated funds under BRGF during 2013-14 when they had not been able to utilize less than half of the allocated amount during 2012-13 as compared to B.E. The Ministry in a written reply stated as under:-

"In order to process the proposals in time, a meeting was taken by Secretary, Panchayati Raj on 14-15 March, 2013 with all the Principal Secretaries / Secretaries of Panchayati Raj of all the States wherein the importance of the preparation of Annual Action Plan for the year 2013-14 and furnishing of proposals for release of BRGF funds during the next financial year within a definite timeframe was emphasized."

1.62 Asked about the steps taken by the Ministry in order to ensure full utilization of funds allocated under the scheme, the MoPR in a written note informed as under:

"The entire RE 2012-13 allocation of Rs. 3734 crore is expected to be utilized."

1.63 Asked about the position of State-wise annual entitlement releases and utilisation during 2011-12 and 2012-13, the MoPR in a written note furnished the related information as shown in Annexure VI and VII.

1.64 During the course of evidence, the Committee pointed out that none of the States except Sikkim had reported any utilization of funds under BRGF during 2012-13. The Committee also pointed out that during 2012-13 as against the total BRGF entitlement of Rs. 5349.98 crore the amount released was only Rs. 2745.15 crore out of which only Rs. 118.42 crore were utilized. The MoPR in post evidence reply has informed that Rs. 3720.19 crore have been released as on 31.03.2013. The Committee enquired whether without utilization certificate further grants could be given, the Secretary, MoPR submitted as under:

"No Sir, they have to give at least 60 per cent utilization."

1.65 Explaining further the Secretary, MoPR stated as under:

"Sir, under the BRGF, the plans come from the State Government. They identify them according to their priorities. The BRGF is a gap filling fund basically. For instance, if there is some other scheme which allows a particular district to build a school building or something but may be the boundary wall has been left out, there are no funds for that, then under the BRGF, the State Government put that as a priority and take money for that particular purpose. The Central Government does not impose any kind of directions about how this money is to be spent.

Most of these plans were received late in the financial year 2012-13 and moneys were released towards the last quarter of the financial year. Therefore, they get about a year or so to utilise this money. Therefore, the utilisation may be zero at this stage. They are given about 12 months to utilise this fund."

1.66 The Committee also drew the attention of representatives of MoPR over the State-wise entitlement releases and utilization and pointed out that as against fairly good amount of entitlement, the level of releases were much less and against these utilization was almost nil. The representatives of MoPR explained as under:

"The gap between the entitlement and the actual release is due to certain reasons. The releases are always subject and conditioned by the unspent balances lying with the districts. For example, if a district is entitled for Rs. 50 crore, and if it has spent only sixty per cent of the previous grant, to that extent what it has spent already that is taken into account and the unspent balances are

deducted. Some of the districts catch up at the fag end. They spend 100 per cent amount and give all the papers and they get 100 per cent entitlement. Those of the districts which have unspent balances till the last day of the financial year, they do not become entitled for 100 per cent release. So, 100 per cent release of the entitlement would depend upon the spending capacity of the districts. If they are able to spend 100 per cent, they would be released 100 per cent. If there is a gap, that means to that extent there was unspent balance with the States. As per the guidelines they have to be deducted out of their entitlement."

1.67 The representatives further submitted:

"The BRGF grants are demand based. They are released on the basis of annual action plans which are prepared in a bottom up participatory manner as per guidelines and they are consolidated at the district level by the District Planning Committees which in J&K State are the District Development and Planning Boards. They consolidate those plans from Village Panchayats and block Panchayats at the district level and then forward them to us in the Ministry through the State government. We release the funds on the basis of 60 per cent utilisation of the previous releases, audit statement and physical and financial progress reports. These are certain requirements which need to be fulfilled before the moneys are released. The funds that we release to the districts through the State Government are untied in nature."

1.68 On the issue of devising mechanism for further release of funds, the representative of MoPR further clarified:

"The State Government has to devise its own mechanism of further release of funds. Guidelines say that we release the funds to the district through the State Government only. Then the State Governments are free to devise their own mechanism of internal release to the districts."

1.69 Sharing his experience about implementation of BRGF a representative of the MoPR apprised the Committee:

"I have been in the implementation of BRGF for the last one and a half years. By experience, I find that in those States where Panchayati Raj Institutions are vibrant and strengthened already, the implementation is much better. Their action plans are much more inclusive and participatory and the delivery on the ground is also much better. I agree with Prof. Soz that in J&K, Panchayati Raj system is not fully operational and functional and he is taking a lot of efforts in making them operational and functional. When the panchayati raj system in all the three tiers get fully grounded and operative, the possibility of implementation of all these activities will be, in an effective manner and greater. At this time, the programme is implemented through the district administrations. It is only the sectoral offices who are making and implementing these plans. I agree with him that the implementation may not be that effective or may not be reaching the last mile. But once the panchayati raj system is grounded and plans are formed, implementation is going to be much better."

1.70 Explaining the reasons about non-release of funds to the State of Jammu & Kashmir, the representative of MoPR further informed:

"I want to share with you that J&K districts were not sending us the plans. I personally followed up with them and requested the Ministers heading these District Boards. Unless they take these meetings and pass those plans in those meetings, they cannot send them to us. So, I personally visited Srinagar, met the concerned Ministers and requested them with folded hands to kindly send us the plans. They have sent us the plans though late and we were able to release the first instalment of 2012-13 of BRGF."

1.71 Adding further the Secretary (MoPR) also submitted:

"I have mentioned that we will now set up regular video conferencing with the district magistrates of various districts under the Backward Region Fund Grant so that we can also keep an eye on the speedy implementation."

1.72 The Committee pointed out that the Finance Minister in this year's Budget Speech has outlined the need for revising the criteria for determination of backwardness for making States eligible for BRGF funds. Asked about the fresh criteria and in what way it is going to help bridge regional disparities, the MoPR in a written note stated:

"This is the domain of the Planning Commission."

1.73 The Committee also pointed out that during the study tour of the Standing Committee on Rural Development to Andaman and Nicobar Islands, the issue of people's participation in developmental process came up during the field visits as also informal visits at Port Blair. In this connection, the representatives of Panchayati Raj Institutions had petitioned before the Committee that their power to undertake developmental work is largely curtailed by the UT administration. As a result, there is no developmental work going on in Andaman and Nicobar Islands through Panchayati Raj Institutions.

1.74 Asked about whether the Ministry has reviewed or assessed the role of Panchayati Raj Institutions in execution of all rural development schemes being run by Panchayats during the last two years, the MoPR in a written note stated:

"No Sir."

1.75 The Committee also enquired whether MoPR have received any complaints from representatives of Panchayati Raj Institutions in the Ministry and the nature of grievances spelt out above and remedial steps if any, thereon taken. The MoPR in a written note stated:

"Ministry use to receive complaints from time to time various stakeholders which are being forwarded to the State Governments for taking corrective action."

PART II

OBSERVATIONS/ RECOMMENDATIONS OF THE COMMITTEE

Demands for Grants for 2013-14

2.1 The Committee note that the Demands for Grants of the Ministry of Panchayati Raj (Demand No. 71) were presented to Lok Sabha on 22 March, 2013. The Demands makes a provision for Rs. 7000.70 crore (Rs. 7000 crore for Plan and Rs. 0.70 crore for Non-Plan). The allocated funds are higher by Rs. 1650 crore as compared to the budget provisions made during previous year viz. 2012-13. The Committee endorse the same. The Committee have examined the Demands w.r.t priorities made and utilisation of funds during 11th Five Year Plan and also during 2012-13 which was the first year of the 12th Plan. The recommendations of the Committee have been set out in the succeeding paragraphs.

Non-utilisation of funds

2.2 The Committee note that during the Eleventh Plan BE of Rs. 24,724 crore was revised to Rs. 22,295 crore by the Ministry of Finance because of non-receipt of proposals in time accompanied with essential physical and financial reports etc. from State Governments. This issue was highlighted by the Committee while examining the Demands for Grants (2012-13) of MoPR. The Committee had recommended (Para 2.3 of Twenty-Ninth Report) that the Ministry of Finance should stop reducing the funds at RE Stage of MoPR which is directly dealing with functioning and strengthening of Panchayats. The Committee are constrained to note that inspite of their strong recommendation the Ministry of Finance has reduced the funds at RE stage during 2012-13 also from the level of Rs. 5350 crore to Rs. 4000 crore mainly on two counts, one, slow pace of expenditure upto October, 2012 and two, late submission of action plans by the States under BRGF. Considering the fact that there is a quantum jump in availability of funds i.e Rs. 7000 crores in 2013-14 as compared to Rs. 4000 crores (RE) in 2012-13, the Committee expect the MoPR to make all out efforts to utilise the funds fully and to ensure that 11th Plan trend for non-utilisation of funds is not repeated.

Slow progress on findings of Mid Term Appraisal of Eleventh Plan (2007-12)

2.3 The Committee are constrained to note that considerable long time has been taken by MoPR/ Planning Commission for moving on important findings of Mid Term Appraisal of schemes of MoPR during Eleventh Plan (2007-12) which inter-alia pertain to developing strategy for training and capacity building of Panchayats, restructuring of BRGF, pursuing the implementation of PESA etc. The Committee find that in the area of developing strategy for training and Capacity building of Panchayats, the MoPR has come up with a mega programme of Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) which has been finally cleared as late as March 2013. The Committee are also constrained to note that progress on other two issues viz. restructuring of BRGF and pursuing implementation of PESA has not picked up with desired momentum. They, therefore, recommend that MoPR should take up the issue of completing the process of restructuring of BRGF with Planning Commission as the issue is already badly delayed. The Committee also feel that as the implementation of PESA is one of the Constitutional mandate given to MoPR, the MoPR should move faster on this issue as almost status-quo is prevailing on implementation of PESA over the last several years.

(Recommendation Sl. No. 2)

Twelfth Five Year Plan (2012-17)

2.4 The Committee are glad to note that MoPR has received significantly higher funds for Twelfth Plan (2012-17) for its different Central Sector, Centrally Sponsored and Additional Central Assistance (ACAs) mainly for RGPSC and BRGF Schemes. The Committee note that as against the Eleventh Plan (2007-2012) outlay of Rs. 24,724 crore, the MoPR has got Rs. 35,743 crore during Twelfth Plan (2012-2017) indicating a jump of more than Rs. 10,000 crore. The Committee also find that Rs. 6437 crore under Central Plan has been allocated to MoPR during Twelfth Plan as compared to Rs. 876.37 crore during Eleventh Plan. Similarly for Additional Central Assistance (ACAs), the MoPR has been allocated Rs. 29,306 crore for Twelfth Plan against Rs. 24,110 crore for Eleventh Plan. Taking note of the fact that 2013-14 is the second year of the 12th Plan as also

RGPSA has been approved very recently, the Committee would urge upon the MoPR to fix priorities, make sincere efforts in achieving the objectives/ goals/ targets of various activities so that apart from utilisation of full funds, PRIs across the country are strengthened in a big way.

(Recommendation Sl.No. 3)

Unspent balances and fund surrendered

2.5 The Committee are constrained to note that MoPR has large amount of unspent balances and these were surrendered during 2011-12. For instance during 2011-12, MoPR surrendered as huge as Rs. 1143.63 crore and during 2012-13 the B.E of Rs. 5350 crore was reduced to Rs. 4000 crore on account of non-utilisation. The Committee recall that they had examined the issue of unspent balances and surrender of funds while examining the Demands for Grants (2012-13) of MoPR also and had recommended to devise a practical solution to this perennial problem. The Committee have been informed by MoPR that continuous monitoring of progress of BRGF and other schemes is being done to quicken the pace of expenditure and claim full entitlement. However, the latest figures made available to the Committee for 2012-13 show that against the B.E of Rs. 5349.58 crore and RE of Rs. 4000 crore, the fund released was only Rs. 2745.15 crore and fund utilised was barely Rs. 118.42 crore. The Committee therefore recommend that MoPR should work hard for wiping out unspent balances and do away with the practice of surrendering of funds altogether in future.

(Recommendation No. 4)

Implementation of the Panchayats (Extension to Scheduled Areas) Act, 1996

2.6 The Committee find that implementation of the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) within the meaning of Section 4(a) of the Act and with reference to Section 4(d) to 4 (m) that deal with empowerment of Gram Sabha which makes the Gram Sabhas competent for

functioning in wide variety of areas like safeguarding and preserving the traditions of the people in Scheduled Areas, approval of village plans, issue of utilisation certificates, mandatory consultation in matters of land acquisition, resettlement and rehabilitation, power to prevent alienation of land and restoring alienated land etc. in Fifth Schedule Areas in nine States of Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha and Rajasthan has not been done in letter and spirit. The Committee feel that less development in Scheduled Areas mainly in Andhra Pradesh, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra and Odisha may give rise to unrest. The latest available compliance of State Panchayati Raj Acts as indicated by MoPR shows that although necessary legislations have been enacted in six PESA States, actual empowerment of Gram Sabhas has not been forthcoming and seen at ground level. Further the Committee find that MoPR has also indicated State-wise position of compliance of subject laws showing varied degree of implementation across nine PESA States on important subjects ranging from land acquisition to money lending. The Committee are dismayed to note that barring Himachal Pradesh and Madhya Pradesh, none of the PESA States have complied with PESA with important issue of land acquisition and position on other subjects is almost similar. On the other hand the Committee find that MoPR has claimed to have taken series of measures like circulation of Model Rules for PESA and related Guidelines to nine PESA States etc. However the ground reality shows that efforts of MoPR have not actually contributed towards actual implementation of PESA laws in these States. The Committee, therefore, recommend that MoPR should rethink with an open mind on the entire issue of implementation of PESA in coordination with concerned State Governments to find solutions to the real problems at appropriate level.

(Recommendation Sl. No. 5)

Panchayat Finances

2.7 The Committee note that two prominent sources of Panchayat Finances are Thirteenth Finance Commission (TFC) Grants and State Finance Commissions Grants. The Committee also find that TFC has estimated Rs. 63,050 crore as Grants payable to PRIs for an award period of five years viz. 2010-15 consisting of Rs. 41,225 crore as Basic Grant and Rs. 21,825 crore as Performance Grant. The Committee are dismayed to note that on Basic Grant as also on Performance Grant, both for General Area and Special Area during 2011-12 and 2012-13, there are huge gaps between allocations and releases in different States. The Committee, therefore, recommend that MoPR should take up the issue with concerned State Governments to take steps to utilise their share of allocations as per parameters of TFC recommendations.

(Recommendation Sl. No. 6)

2.8 The Committee are also dismayed to note that State Finance Commissions (SFCs) are facing problems like acute shortage of manpower, knowledgeable professionals, inadequate data etc. and their SFC's recommendations are not given due consideration by the State Governments. In this connection, the Committee find that MoPR have themselves highlighted the need for strengthening of SFCs. As the recommendations of the SFCs play an important role in the award of Central Finance Commission, the Committee recommend the MoPR to take up the matter at the appropriate level with different State Governments.

(Recommendation Sl.No. 7)

Centrality of Panchayats in Central Sector and Centrally Sponsored Schemes

2.9 The Committee also note with dismay that not much progress has been made on the issue of ensuring Centrality of Panchayats in Central Sector and Centrally Sponsored Schemes (CSSs) that deal with subjects included in Eleventh Schedule in planning, implementation and monitoring

of these Schemes. In this connection, the Committee have been informed by MoPR about various initiatives taken up under BRGF and earlier schemes of PEAIS and RGSY for necessary devolution for achieving Centrality of PRIs in CSSs etc. The Committee have also been informed by MoPR that under RGPSA the process of incentivising States will be for non-BRGF districts also. The Committee have also been apprised by MoPR that various Central Ministries have now provided centrality of PRIs in their programme by way of issuing Guidelines such as MGNREGA, NRLM, IWMP, NBA etc. The Committee also note that MoPR has set up an Expert Committee under the Chairmanship of Shri Mani Shankar Aiyar, M.P (Rajya Sabha) on this issue and Expert Committee is expected to finalise the report by April, 2013. Since the Expert Committee is already seized of the issue, they would await the outcome of the Report.

(Recommendation Sl.No. 8)

Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)

2.10 The Committee note that RGPSA has finally been approved by CCEA in March, 2013 and it paves way to implement from 2013-14 an ambitious programme of RGPSA during Twelfth Plan period with a view to continue the process of strengthening of Panchayati Raj system and to address critical gaps that constrain it. The Committee find that during 2012-13 the MoPR could utilise Rs. 44 crore out of Rs. 50 crore allocated for RGPSA. The Committee note that for 2013-14, Rs. 455 crore have been proposed and additional allocation of Rs. 200 crore if required will be made available for RGPSA making the total allocation of Rs. 655 crore. The Committee also find that overall direction of RGPSA will be provided by an empowered Central Steering Committee (CSC, RGPSA) headed by Union Minister for Panchayati Raj with representation from Ministries of Rural Development, Drinking Water and Sanitation, Education, Health, Agriculture, Social Justice, Tribal Affairs, North East and Planning Commission etc. There is an empowered Central Executive Committee (CEC, RGPSA) headed by the Secretary, MoPR at the national level to oversee implementation. These two bodies have started functioning. The Committee feel that there is a huge

challenge before MoPR to empower an estimated 28 lakh elected representatives of Panchayats particularly when institutional support is grossly inadequate. In this connection, the MoPR has apprised that under RGPSA, activities of strengthening of SIRDs, establishment/ strengthening of District Resource Centres, Block Resource Centres and support for Panchayat processes for Panchayats with low revenue base will be taken up and for Capability Building and Training requirement funding of RGPSA will be done as per National Capacity Building Framework (NCBF). The Committee, therefore, recommend that since all related issues have been clearly spelt out in RGPSA with multi-Ministerial representation, the MoPR should now move faster on empowerment of Panchayats through possible devolution of 3Fs and meeting other basic requirement of infrastructure and training and capacity building needs of elected representatives and functionaries of Panchayats in a big way during Twelfth Plan period (2012-17).

(Recommendation Sl.No. 9)

Backward Regions Grant Fund

2.11 The Committee are deplored that most important scheme of Backward Region Grant Fund (BRGF) as Additional Central Assistance (ACA) to State Plans to bridge the regional imbalances in development by way of providing financial resources in identified backward districts has not been effectively implemented leading to non utilisation of entitled funds in these districts across the States. For instance as per latest available figures of State-wise releases vis-a-vis utilisation of BRGF funds during 2012-13 made available to the Committee by MoPR, the Committee are dismayed to note that as against the total annual entitlement of Rs. 5349.98 crore, the release was as low as Rs. 2745.15 crore out of which the utilisation reported was a meagre Rs. 118.42 crore. The Committee find this situation highly unsatisfactory. The Committee are also constrained to note that whatever small utilisation that has been reported was in Andhra Pradesh, Assam, Bihar, Chhattisgarh, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and West Bengal. In other States including Jammu and Kashmir, any utilisation was yet to be reported. In this

connection, the Committee have been informed by the Secretary, MoPR that plans come from State Governments and Central Government does not impose any direction about the money spent. The MoPR has also contended that BRGF grant are demand based and requirement of 60% utilisation of previous releases is an essentiality for further releases. Moreover, the State Governments have to devise its own mechanism for further release of funds. The Committee have also been informed that under the BRGF Guidelines funds are released to State Governments and not to individual BRGF districts and any revision of Guidelines is under the domain of the Planning Commission. In this connection, the Committee have been assured by the Secretary, MoPR to set up regular video conferencing with district magistrates in BRGF districts so as to keep an eye on speedy implementation. Since the restructuring of BRGF is currently in progress in Planning Commission, the MoPR should place all necessary details and constraints in implementation of BRGF before the Planning Commission to make it more simple and implementable by the States so as to ensure that Government objective to supplement the State Governments to develop the backward Districts in the country is achieved fully. Since there are as many as 272 districts identified for BRGF scheme as of now, the scheme will help in developing a substantial part of the country.

(Recommendation Sl.No. 10)

NEW DELHI
25 April, 2013
 5 Vaisakha, 1935 (Saka)

(Sumitra Mahajan)
 Chairperson
 Standing Committee on Rural Development

ANNEXURE I

Allocation and Release of General Area Basic Grant of Local Bodies for PRIs under Thirteenth Finance Commission (as on 02.02.2013)

Sl. No.	States	2010-11		2011-12		2012-13		Total releases
		Allocation	Release	Allocation	Release	Allocation	Release	
1	2	3	4	5	6	7	8	9
1	Andhra Pradesh	48074.00	48074.00	61585.00	30470.00			78544.00
2	Arunachal Pradesh	2520.00	2520.00	3228.00	1614.00			4134.00
3	Assam	14511.00	7344.00	18590.00	16462.00		19248.94	43054.94
4	Bihar	45569.00	45569.00	58377.00	58377.00		31258.97	135204.97
5	Chhattisgarh	15367.00	15367.00	19686.00	19686.00		10541.07	45594.07
6	Goa	832.00	421.00	1066.00	411.00			832.00
7	Gujarat	21724.00	21724.00	27231.00	27231.00		14721.62	63676.62
8	Haryana	10116.00	10116.00	12680.00	12680.00		6855.23	29651.23
9	Himachal Pradesh	5120.00	5120.00	6559.00	6559.00		3511.88	15190.88
10	Jammu & Kashmir	8448.00	0.00	10823.00	10823.00		5795.14	16618.14
11	Jharkhand	13948.00	13948.00	17868.00	17868.00		9567.96	41383.96
12	Karnataka	41938.00	41938.00	52571.00	52571.00		28421.20	122930.20
13	Kerala	17935.00	17935.00	22975.00	22975.00		12302.44	53212.44
14	Madhya Pradesh	37842.00	37842.00	48478.00	48478.00		25958.54	112278.54
15	Maharashtra	50578.00	50578.00	64793.00	64793.00		34694.74	150065.74
16	Manipur	2013.00	2013.00	2578.00	0.00			2013.00
17	Meghalaya	2877.00	2877.00	3686.00	3686.00			6563.00
18	Mizoram	1855.00	1855.00	2376.00	1188.00			3043.00
19	Nagaland	2806.00	1420.00	3594.00	1386.00			2806.00
20	Odisha	23831.00	23831.00	30529.00	30529.00		16347.08	70707.08
21	Punjab	10350.00	10350.00	13260.00	0.00		6630.00	16980.00
22	Rajasthan	36668.00	36668.00	45965.00	45965.00		24849.52	107482.52
23	Sikkim	1696.00	858.00	2173.00	3011.00		1163.38	5032.38
24	Tamil Nadu	28710.00	28710.00	35989.00	35989.00		19456.67	84155.67
25	Tripura	2695.00	2695.00	3452.00	3452.00		1848.36	7995.36
26	Uttar Pradesh	91130.00	91130.00	114233.00	114233.00		61756.85	267119.85
27	Uttarakhand	5437.00	5437.00	6965.00	6965.00			12402.00
28	West Bengal	38120.00	38120.00	48834.00	24161.00		24673.00	86954.00
	Total	582710.00	564460.00	740144.00	661563.00	0.00	359602.59	1585625.59

Allocation and Release of Special Area Basic grant of Local Bodies under 13th Finance Commission
(as on 02.02.2013)

Sl. No.	States	2010-11			2011-12			2012-13			Special Area Rs in Lakhs	Total releases Rs in Lakhs
		Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release	Allocation		
1	2	3	4	5	6	7	8					9
1	Andhra Pradesh	590.00	590.00	590.00	295.00	590.00						885.00
2	Assam	730.00	365.00	730.00	730.00	730.00	730.00					1825.00
3	Chhattisgarh	2110.00		2110.00	2110.00	2110.00		1055.00				5275.00
4	Gujarat	1440.00	1440.00	1440.00	1440.00	1440.00	1440.00	720.00				3600.00
5	Himachal Pradesh	30.00	30.00	30.00	30.00	30.00		15.00				75.00
6	Jharkhand	3500.00	1750.00	3500.00	1750.00	3500.00	3500.00	1750.00				5250.00
7	Madhya Pradesh	2650.00	2650.00	2650.00	2650.00	2650.00	2650.00	1325.00				6625.00
8	Maharashtra	790.00	790.00	790.00	790.00	790.00	790.00	395.00				1975.00
9	Manipur	180.00	180.00	180.00	0.00	180.00		b*				180.00
10	Meghalaya	460.00	460.00	460.00	460.00	460.00	460.00	c*				920.00
11	Mizoram	180.00	180.00	180.00	90.00	180.00		d*				270.00
12	Nagaland	400.00	200.00	400.00	200.00	400.00	400.00	c*				400.00
13	Orissa	2160.00	2160.00	2160.00	2160.00	2160.00	2160.00	1080.00				5400.00
14	Rajasthan	360.00	360.00	360.00	360.00	360.00	360.00	180.00				900.00
15	Tripura	240.00	240.00	240.00	240.00	240.00	240.00	120.00				600.00
16	West Bengal	160.00	160.00	160.00	80.00	160.00	160.00	80.00				320.00
	Total	15980.00	13665.00	15980.00	13385.00	15980.00	15980.00	7450.00				34500.00

a*--- Basic Grant not released to Andhra Pradesh as Panchayat not in existence.

b*--- Basic Grant not released to Manipur as Interest for delay not transferred.

c*--- Basic Grant not released to Meghalaya as UC for 2011-12 (second installment) not received.

d*--- Basic Grant not released to Mizoram as interest not transferred.

e*--- Basic Grant not released to Nagaland as UC for 2010-11 (second installment) not received.

Annexure III

General Area Performance Grant under Thirteenth Finance Commission Grant for PRIs (as on 21.3.2013)

Sl.No	State	Allocation	Balance	General Area Performance Grant : PRIs		Allocation	Balance
				2011-12	2012-13		
1	2	3	4	5	6	7	8
1	Andhra Pradesh	210.12	0			252.63	
2	Arundhal Pradesh	11.83	0			23.73	
3	Assam	63.42	61.42	112.04	9.14	126.63	68.21
4	Bihar	199.17	199.17	40.31	38.75	429.65	
5	Chhattisgarh	67.16	57.16	31.61	9.69	144.63	
6	Goa	3.66	0		8.51	7.83	
7	Gujarat	93.88	0		13.52	202.07	
8	Haryana	43.68	47.61	8.84	6.79	94.98	47.65
9	Himachal Pradesh	21.38	21.37	4.52	3.22	43.2	24.1
10	Jammu & Kashmir	16.92	0		5.34	79.54	
11	Jharkhand	60.96	0		8.81	131.35	65.46
12	Karnataka	131.09	181.09	36.69	26.1	190.7	
13	Kerala	78.39	78.39	15.87	11.39	168.36	
14	Madhya Pradesh	165.91	42.70	33.49	23.83	356.3	
15	Maharashtra	221.06	221.06	44.79	31.67	476.21	230.11
16	Madhya Pradesh	3.80	0		1.29	18.95	
17	Meghalaya	12.57	0		1.63	27.98	
18	Manipur	8.11	0		1.17	17.46	
19	Nagaland	12.36	0		1.75	36.41	
20	Odisha	194.10	0		15.02	224.38	
21	Punjab	43.24	0		6.51	97.45	
22	Rajasthan	158.33	158.33	32.1	22.84	341.08	173.54
23	Sikkim	7.41	0		1.06	15.97	
24	Tamil Nadu	133.97	0		17.67	267.06	
25	Tripura	11.73	0		1.72	25.37	12.68
26	Uttar Pradesh	393.91	194.73	79.72	56.75	847.06	
27	Uttarakhand	21.76	0		3.44	51.14	
28	West Bengal	166.61	0		24.01	355.91	
	Total	2534.70	1312.31	822.84	335.14	5460.26	626.65

Note: CMC is in Millions (both in September, 2011 and February, 2013) except mentioned below of Central Area Performance Grant to the States of Andhra, Bihar, Jharkhand, Himachal Pradesh, Jharkhand, Jharkhand, Kerala, Odisha, Punjab, Tripura, West Bengal and West Bengal.

Annexure IV

Special Area Performance Grant under 13th Finance Commission

Status as on 02-02-2013

Status as on 02-02-2013

Sl.No	State	2010-11			2011-12			2012-13	
		Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release
1	Andhra Pradesh	0	0	2.90	0	0	5.90		
2	Assam	0	0	3.60	0	0	7.30		3.65
3	Chhattisgarh	0	0	10.50	0	0	21.10		
4	Gujarat	0	0	7.20	0	0	14.40		
5	Himachal Pradesh	0	0	0.10	0	0	0.30		0.15
6	Jharkhand	0	0	17.50	0	0	35.00		17.5
7	Madhya Pradesh	0	0	13.30	0	0	26.50		
8	Maharashtra	0	0	3.90	0	0	7.90		3.95
9	Manipur	0	0	0.90	0	0	1.80		
10	Meghalaya	0	0	2.30	0	0	4.60		
11	Mizoram	0	0	0.90	0	0	1.80		
12	Nagaland	0	0	2.00	0	0	4.00		
13	Odisha	0	0	10.80	0	0	21.60		
14	Rajasthan	0	0	1.80	0	0	3.60		1.8
15	Tripura	0	0	1.20	0	0	2.40		1.2
16	West Bengal	0	0	0.80	0	0	1.60		
	Total	0.00	0.00	79.70	0	159.80	6.95		

Note: CMC in its Meetings held in September, 2012 and February, 2013 have recommended release of Special Area Performance Grant to the States of Assam, Maharashtra, Himachal Pradesh, Jharkhand, Rajasthan, Tripura, Chhattisgarh, Madhya Pradesh.

Annexure V



List of 272 BRGF districts

No. of States	Name of States	No. of Districts	Name of Districts
1	Andhra Pradesh	1	Adilabad
		2	Anantpur
		3	Chittoor
		4	Cuddapah
		5	Karimnagar
		6	Khammam
		7	Mahaboobnagar
		8	Medak
		9	Nalgonda
		10	Nizamabad
		11	Rangareddy
		12	Vizianagaram
		13	Warrangal
2	Arunachal Pradesh	14	Upper Subansari
3	Assam	15	Baksa
		16	Barpeta
		17	Bongaigaon
		18	Cachar
		19	Chirang
		20	Dhemaji
		21	Goalpara
		22	Hailakandi
		23	Karbi Anglong
		24	Kokrajhar
		25	Moregaon
		26	North Cachar Hills
		27	North Lakhimpur
		28	Araria
		29	Arwal
		30	Aurangabad
		31	Banka
		32	Begusarai
		33	Bhagalpur
		34	Bhojpur
		35	Buxar
4	Bihar	28	Araria
		29	Arwal
		30	Aurangabad
		31	Banka
		32	Begusarai
		33	Bhagalpur
		34	Bhojpur
		35	Buxar

No. of States	Name of States	No. of Districts	Name of Districts
		36	Darbhanga
		37	Gaya
		38	Gopalganj
		39	Jamui
		40	Jehanabad
		41	Kaimur
		42	Katihar
		43	Khagaria
		44	Kishanganj
		45	Lakhisarai
		46	Madhepura
		47	Madhubani
		48	Munger
		49	Muzaffarpur
		50	Nalanda
		51	Nawada
		52	Paschim Champaran
		53	Patna
		54	Purbi Champaran
		55	Purnia
		56	Rohtas
		57	Saharsa
		58	Samastipur
		59	Saran
		60	Sheikhpura
		61	Sheohar
		62	Sitamarhi
		63	Siwan
		64	Supaul
		65	Vaishali
5	Chhattisgarh	66	Bastar
		67	Bijapur
		68	Bilaspur
		69	Dantewada
		70	Dhamtari
		71	Jashpur
		72	Kabirdham
		73	Kanker
		74	Korba
		75	Koriya

No. of States	Name of States	No. of Districts	Name of Districts
		76	Mahasammund
		77	Narayanpur
		78	Raigarh
		79	Rajnandgaon
		80	Sarguja
6	Gujarat	81	Banas Khantha
		82	Dahod
		83	Dang
		84	Narmada
		85	Panchmahal
		86	Sabar Kantha
7	Haryana	87	Mahendragarh
		88	Sarsa
8	Himachal Pradesh	89	Chamba
		90	Sirmaur
9	Jammu & Kashmir	91	Doda
		92	Kishtwar
		93	Kupwara
		94	Poonch
		95	Ramban
10	Jharkhand	96	Bokaro
		97	Chatra
		98	Deoghar
		99	Dhanbad
		100	Dumka
		101	Garhwa
		102	Giridih
		103	Godda
		104	Gumla
		105	Hazaribagh
		106	Jamtara
		107	Koderma
		108	Khunti
		109	Latehar
		110	Lohardagga
		111	Pakaur
		112	Palamu
		113	Ramgarh
		114	Ranchi

No. of States	Name of States	No. of Districts	Name of Districts
		115	Sahebganj
		116	Saraikela Kharswan
		117	Simdega
		118	West Singhbhum
11	Karnataka	119	Bidar
		120	Chitradurga
		121	Davangere
		122	Gulbarga
		123	Raichur
		124	Yadgir
12	Kerala	125	Palakkad
		126	Wayanad
13	Madhya Pradesh	127	Alirajpur
		128	Anuppur
		129	Ashoknagar
		130	Balaghat
		131	Barwani
		132	Betul
		133	Burhanpur
		134	Chhattarpur
		135	Chhindwara
		136	Damoh
		137	Dhar
		138	Dindori
		139	Guna
		140	Jhabua
		141	Katni
		142	Khandwa
		143	Khargone
		144	Mandla
		145	Panna
		146	Rajgarh
		147	Rewa
		148	Satna
		149	Seoni
		150	Shahdol
		151	Sheopur
		152	Shivpuri
		153	Sidhi
		154	Singrauli

No. of States	Name of States	No. of Districts	Name of Districts
14	Maharashtra	155	Tikamgarh
		156	Umaria
		157	Ahmednagar
		158	Amravati
		159	Aurangabad
		160	Bhandara
		161	Chandrapur
		162	Dhule
		163	Gadchiroli
		164	Gondia
		165	Hingoli
		166	Nanded
		167	Nandurbar
		168	Yavatmal
15	Manipur	169	Chandel
		170	Churchandrapur
		171	Tamenglong
16	Meghalaya	172	Ri-Bhoi
		173	South Garo Hills
		174	West Garo Hills
17	Mizoram	175	Lawngtlai
		176	Saiha
18	Nagaland	177	Kiphri
		178	Longleng
		179	Mon
		180	Tuensang
		181	Wokha
19	Odisha	182	Bargarh
		183	Bolangir
		184	Boudh
		185	Deogarh
		186	Dhenkanal
		187	Gajapati
		188	Ganjam
		189	Jharsuguda
		190	Kalahandi
		191	Kandhamal
		192	Keonjhar
		193	Koraput
		194	Malkangiri

No. of States	Name of States	No. of Districts	Name of Districts
		155	Tikamgarh
		156	Umaria
14	Maharashtra	157	Ahmednagar
		158	Amravati
		159	Attrangabad
		160	Bhandara
		161	Chandrapur
		162	Dhule
		163	Gadchiroli
		164	Gondia
		165	Hingoli
		166	Nanded
		167	Nandurbar
		168	Yavatmal
15	Manipur	169	Chandel
		170	Churchandrapur
		171	Tamenglong
16	Meghalaya	172	Ri-bhoi
		173	South Garo Hills
		174	West Garo Hills
17	Mizoram	175	Lawngtlai
		176	Saiha
18	Nagaland	177	Kiphri
		178	Longleng
		179	Mon
		180	Tuensang
		181	Wokha
19	Odisha	182	Bargarh
		183	Bolangir
		184	Boudh
		185	Deogarh
		186	Dhenkanal
		187	Gajapati
		188	Ganjam
		189	Jharsuguda
		190	Kalahandi
		191	Kandhamal
		192	Keonjhar
		193	Koraput
		194	Malkangiri

No. of States	Name of States	No. of Districts	Name of Districts
		233	Chitrakoot
		234	Etah
		235	Farukkhabad
		236	Fatehpur
		237	Gonda
		238	Gorakhpur
		239	Hamirpur
		240	Hardoi
		241	Jalaun
		242	Jaunpur
		243	Kanshiram Nagar
		244	Kaushambi
		245	Kushinagar
		246	Lakhimpurkhiri
		247	Lalitpur
		248	Maharajganj
		249	Mahoba
		250	Mirzapur
		251	Pratapgarh
		252	Rai Bareilly
		253	Sant Kabir Nagar
		254	Shrawasti
		255	Siddhartha Nagar
		256	Sitapur
		257	Sonbhadra
		258	Unnao
26	Uttarakhand	259	Chamoli
		260	Champawat
		261	Tehri Garhwal
27	West Bengal	262	24 South Paraganas
		263	Bankura
		264	Birbhum
		265	Dinajpur Dakshin
		266	Dinajpur Uttar
		267	Jalpaiguri
		268	Maldah
		269	Medinipur East
		270	Medinipur West
		271	Murshidabad
		272	Purulia

Note: The districts which are highlighted in bold are newly added districts under BRGF Programme during 2012-13.

Annexure VI

The State-wise entitlements vis-à-vis utilization of funds during 2011-12 is given below.

(Rs. in crore)

S. No.	State	Development Grant			Capacity Building			Total		
		Annual Entitlement	Funds Released	Utilisation Reported (25.03.2013)	Annual Entitlement	Funds Released	Utilisation Reported (25.03.2013)	Annual Entitlement	Funds Released	Utilisation Reported (25.03.2013)
1	Andhra Pradesh	376.77	360.52	266.89	13.00	6.07	0.00	389.77	366.59	266.89
2	Arunachal	15.38	10.70	0.00	1.00	0.00	0.00	16.38	10.70	0.00
3	Assam	166.75	49.63	24.08	11.00	9.76	0.00	177.75	59.39	24.08
4	Bihar	652.05	408.58	195.37	36.00	0.00	0.00	688.05	408.58	195.37
5	Chhattisgarh	256.80	246.94	190.75	13.00	13.00	0.69	269.80	259.94	191.44
6	Gujarat	109.64	109.64	52.96	6.00	0.00	0.00	115.64	109.64	52.96
7	Haryana	30.15	17.63	11.05	2.00	1.04	0.73	32.15	18.67	11.78
8	Himachal Pradesh	30.22	21.62	21.62	2.00	2.00	0.03	32.22	23.62	21.65
9	J&K	49.06	30.40	10.73	3.00	0.00	0.00	52.06	30.40	10.73
10	Jharkhand	345.31	183.60	49.95	21.00	0.00	0.00	366.31	183.60	49.95
11	Karnataka	113.91	90.05	56.97	5.00	2.69	0.79	118.91	92.74	57.76
12	Kerala	34.83	34.66	17.52	2.00	0.00	0.00	36.83	34.66	17.52
13	Madhya Pradesh	466.50	390.96	223.66	24.00	12.41	12.41	490.50	403.37	236.07
14	Maharashtra	280.56	250.03	218.67	12.00	5.06	0.80	292.56	255.09	219.47
15	Manipur	40.93	31.49	9.06	3.00	0.67	0.00	43.93	32.16	9.06
16	Meghalaya	38.44	22.56	18.30	3.00	2.04	0.00	41.44	24.60	18.30
17	Mizoram	23.58	23.58	21.42	2.00	1.32	0.00	25.58	24.90	21.42
18	Nagaland	38.48	38.48	38.20	3.00	3.00	2.70	41.48	41.48	40.90
19	Odisha	320.96	320.96	228.64	19.00	4.99	3.35	339.96	325.95	231.99
20	Punjab	16.80	14.50	11.32	1.00	1.00	0.08	17.80	15.50	11.40
21	Rajasthan	277.45	277.45	184.25	12.00	8.70	5.68	289.45	286.15	189.93
22	Sikkim	13.58	13.58	11.25	1.00	0.63	0.63	14.58	14.21	11.88
23	Tamil Nadu	117.74	100.03	67.71	6.00	6.00	1.50	123.74	106.03	69.21
24	Tripura	12.66	12.66	12.66	1.00	1.00	0.39	13.66	13.66	13.05
25	Uttar Pradesh	655.05	528.60	211.72	34.00	12.21	0.00	689.05	540.81	211.72
26	Uttarakhand	44.24	27.55	21.85	3.00	1.99	0.00	47.24	29.54	21.85

Annexure VII

The State-wise releases vis-à-vis utilization during 2012-13 is given below.

(Rs. in crore)

S. No.	State	Development Grant			Capacity Building			Total		
		Annual Entitlement	Funds Released	Utilisation Reported	Annual Entitlement	Funds Released	Utilisation Reported	Annual Entitlement	Funds Released	Utilisation Reported
1	Andhra Pradesh	376.77	239.08	8.49	13.00	0.00	0.00	389.77	239.08	8.49
2	Arunachal Pradesh	15.38	0.00	0.00	1.00	0.00	0.00	16.38	0.00	0.00
3	Assam	192.76	114.98	9.83	13.00	1.24	0.00	205.76	116.22	9.83
4	Bihar	684.70	334.42	10.36	38.00	0.00	0.00	722.70	334.42	10.36
5	Chhattisgarh	269.75	175.75	9.69	15.00	0.00	0.00	284.75	175.75	9.69
6	Gujarat	109.64	37.84	0.00	6.00	0.00	0.00	115.64	37.84	0.00
7	Haryana	30.15	22.71	2.06	2.00	1.49	0.00	32.15	24.20	2.06
8	Himachal Pradesh	30.22	35.19	9.12	2.00	0.00	0.00	32.22	35.19	9.12
9	Jammu & Kashmir	68.98	35.52	0.00	5.00	1.84	0.00	73.98	37.36	0.00
10	Jharkhand	365.16	134.88	0.00	23.00	0.00	0.00	388.16	134.88	0.00
11	Karnataka	125.06	57.51	7.89	6.00	3.50	0.00	131.06	61.01	7.89
12	Kerala	34.83	0.00	0.00	2.00	0.67	0.00	36.83	0.67	0.00
13	Madhya Pradesh	556.88	329.01	15.05	30.00	0.00	0.00	586.88	329.01	15.05
14	Maharashtra	280.56	210.26	15.69	12.00	6.94	0.00	292.56	217.20	15.69
15	Manipur	40.93	16.37	0.12	3.00	1.00	0.00	43.93	17.37	0.12
16	Meghalaya	38.44	34.21	3.77	3.00	0.00	0.00	41.44	34.21	3.77
17	Mizoram	23.58	19.16	0.00	2.00	0.00	0.00	25.58	19.16	0.00
18	Nagaland	58.53	34.61	0.00	5.00	4.20	0.00	63.53	38.81	0.00
19	Orissa	340.03	190.37	0.00	20.00	16.36	0.00	360.03	206.73	0.00
20	Punjab	16.80	12.04	0.00	1.00	0.00	0.00	17.80	12.04	0.00
21	Rajasthan	291.30	140.94	12.76	13.00	8.68	0.00	304.30	149.62	12.76
22	Sikkim	13.58	9.68	0.00	1.00	1.43	0.53	14.58	11.11	0.53
23	Tamil Nadu	117.74	73.49	0.00	6.00	0.00	0.00	123.74	73.49	0.00
24	Tripura	12.66	11.28	0.00	1.00	0.30	0.00	13.66	11.58	0.00
25	Uttar Pradesh	667.17	201.13	0.00	35.00	0.00	0.00	702.17	201.13	0.00
26	Uttarakhand	44.24	34.32	0.00	3.00	0.00	0.00	47.24	34.32	0.00
27	West Bengal	272.14	182.91	13.06	11.00	9.84	0.00	283.14	192.75	13.06
Total		5077.98	2687.66	117.89	272.00	57.49	0.53	5349.98	2745.15	118.42

STANDING COMMITTEE ON RURAL DEVELOPMENT (2012-2013)

MINUTES OF THE NINTH SITTING OF THE COMMITTEE HELD ON
TUESDAY, THE 2 APRIL, 2013

The Committee sat from 1430 hrs. to 1630 hrs. in Committee Room No. 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri D. Bandopadhyay - *In the Chair*

Members**Lok Sabha**

2. Shri Thangso Baite
3. Dr. Ratna De (Nag)
4. Shri Premchand Guddu
5. Shri Bijoy Krishna Handique
6. Shri Maheshwar Hazari
7. Shri Nimmala Kristappa
8. Shri Bishnu Pada Ray
9. Shri Anantha Venkatarami Reddy
10. Shri Arjun Charan Sethi
11. Shri Madhu Goud Yaskhi

Rajya Sabha

12. Sardar Sukhdev Singh Dhindsa
13. Shri Mahendra Singh Mahra
14. Shri C.P. Narayanan
15. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Smt. Veena Sharma - Director
2. Shri A.K.Shah - Additional Director
3. Smt. Meenakshi Sharma - Deputy Secretary

Representatives of Ministry of Panchayati Raj

1. Smt. L.M.Vas - Secretary
2. Dr. Hrusikesh Panda - Additional Secretary
3. Shri A.K. Angurana - Additional Secretary

4.	Dr. Avtar Singh Sahota	-	Senior Economic Adviser
5.	Smt. B. Bhamathi	-	Special Secretary and Finance Adviser
6.	Shri Sushil Kumar	-	Joint Secretary
7.	Smt. Rashmi Shukla Sharma	-	Joint Secretary
8.	Smt. Neerja Sekhar	-	Joint Secretary
9.	Shri Dilip Kumar	-	Director (F)
10.	Shri Maha Bir Pershad	-	Director (DPE)
11.	Shri Shashi Malik	-	Director (BRGF)

2. At the outset, in the absence of the Chairman, the Committee under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha chose Shri D. Bandyopadhyay to act as Chairman for the sitting. Thereafter, the Chairman 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 (2013-14) of the Ministry.

[Witnesses were then called in]

3. The Chairman 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. Thereafter, the Chairman highlighted the various important issues viz. the allocation of funds for the schemes of BRGF, RGPSA, Media and Publicity and Action Research and Research Studies, huge gap between entitlement and release of funds etc. The Committee sought clarifications especially regarding zero utilization of funds during 2012-13 under BRGF in the States of Jammu & Kashmir, Manipur, Andhra Pradesh and many other States, steps taken to persuade the State Governments to furnish utilization certificates etc. These issues were replied to by the officers of the Ministry. The queries on which the information was not readily available, the Committee directed the representatives of the Ministry of Panchayati Raj to furnish written replies thereto.

[The representatives of Ministry of Panchayati Raj then withdrew]

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

The Committee then adjourned.

ANNEXURE IX**STANDING COMMITTEE ON RURAL DEVELOPMENT (2012-2013)**MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE HELD ON
THURSDAY, THE 18 APRIL 2013

The Committee sat from 1100 hrs. to 1220 hrs. in Committee Room No. 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shrimati Sumitra Mahajan - **Chairperson**

MEMBERS**Lok Sabha**

16. Shri Pulin Bihari Baske
17. Shri Premchand Guddu
18. Shri Bijoy Krishna Handique
19. Shri Maheshwar Hazari
20. Shri Nimmala Kristappa
21. Shri Bishnu Pada Ray
22. Smt. Usha Verma
23. Shri P. Vishwanathan
24. Shri Madhu Goud Yaskhi

Rajya Sabha

25. Shri Vinay Katiyar
26. Shri Mahendra Singh Mahra
27. Shri C.P. Narayanan
28. Shri Mohan Singh

SECRETARIAT

1. Shri Brahm Dutt	-	Joint Secretary
2. Smt. Veena Sharma	-	Director
3. Shri A.K.Shah	-	Additional Director
4. Smt. Meenakshi Sharma	-	Deputy Secretary

2. At the outset, the Chairperson welcomed the members to the sitting of the Committee and apprised about the Agenda for the sitting. The Committee then took up for consideration the Draft Reports on Demands for Grants (2013-14) of the X X X X and the Ministry of Panchayati Raj. After discussing the Draft Reports in detail, the Committee adopted the Draft Reports with minor modifications.
3. The Committee also authorized the Chairperson to finalize the above mentioned Draft Reports taking into consideration consequential changes arising out of factual verifications, if any, by the concerned Ministry/ Department and to present the same to both the Houses of Parliament.

The Committee then adjourned.

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