#### STANDING COMMITTEE ON RURAL DEVELOPMENT

(2016-2017)

**31** 

#### SIXTEENTH LOK SABHA

#### **MINISTRY OF PANCHAYATI RAJ**

[Action taken on the recommendations contained in the Twenty Fourth Report (Sixteenth Lok Sabha) on Demands for Grants of the Ministry of Panchayati Raj for the year 2016-17]

#### THIRTY-FIRST REPORT



LOK SABHA SECRETARIAT

NEW DELHI

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Presented to Lok Sabha on 15.12.2016

Laid in Rajya Sabha on 15.12.2016



LOK SABHA SECRETARIAT NEW DELHI

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## COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT (2016-2017)

Dr. P. Venugopal -- Chairperson

#### MEMBERS Lok Sabha

- 2. Shri Sisir Adhikari
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- 4. Shrimati Renuka Butta
- 5. Shri Harishchandra Deoram Chavan
- 6. Shri Sanjay Dhotre
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- 8. Shri Vijay Kumar Hansdak
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#### Rajya Sabha

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- 24. Shri Bishnu Charan Das
- 25. Shri Shamsher Singh Dullo
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- 28. Shri A.K. Selvaraj
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- 30. Shri Rewati Raman Singh
- 31. Shri Devender Goud T.

#### **SECRETARIAT**

1. Shri Abhijit Kumar - Joint Secretary

2. Shri S. Chatterjee - Director

Smt. B. Visala
 Smt. Emma C. Barwa
 Additional Director
 Deputy Secretary

INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development (2016-2017) having been

authorised by the Committee to present the Report on their behalf, present the 31st Report on the action

taken by the Government on the recommendations contained in the 24th Report of the Standing Committee

on Rural Development (16th Lok Sabha) on Demands for Grants (2016-17) of the Ministry of Panchayati

Raj.

2. The 24th Report was presented to Lok Sabha/laid in Rajya Sabha on 2 May, 2016. Replies of the

Government to all the recommendations contained in the Report were received on 12 September, 2016.

3. The Report was considered and adopted by the Committee at their sitting held on 09 December,

2016.

4. An analysis of the action taken by the Government on the recommendations contained in the

24<sup>th</sup> Report of the Committee (Sixteenth Lok Sabha) is given in **Appendix-II**.

**NEW DELHI**;

14 December, 2016

23 Agrahayana, 1938 (Saka)

DR. P. VENUGOPAL
Chairperson,

**Standing Committee on Rural Development** 

(iii)

#### CHAPTER I

#### **REPORT**

This Report of the Standing Committee on Rural Development (2016-17) deals with the action taken by the Government on the observations/recommendations contained in their Twenty-Fourth Report (Sixteenth Lok Sabha) on Demands for Grants (2016-17) of the Ministry of Panchayati Raj for the year 2016-2017.

- 2. The Twenty-Fourth Report was presented to Lok Sabha on 02 May, 2016 and was laid on the Table of Rajya Sabha on the same date. The Report contained 12 observations/recommendations.
- 3. Action Taken Notes in respect of all the observations/ recommendations contained in the Report have been received from the Government. These have been examined and categorised as follows:
  - (i) Observations/Recommendations which have been accepted by the Government:

Serial Nos.: 1,5,6,8,9,11 and 12

Total: 07 Chapter-II

(ii) Observations/ Recommendations which the Committee do not desire to pursue in view of Government's replies :

Serial No.: NIL

Total: NIL Chapter-III

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:

Serial Nos.: 3 and 4

Total: 02

Chapter-IV

(iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:

Serial Nos. 2,7 and 10

Total: 03 **Chapter-V** 

- 4. The Committee desire that final replies in respect of recommendations for which only interim replies have been given by the Government included in Chapter-V and the Action Taken Notes on the recommendations contained in Chapter I of the Report may be furnished to the Committee expeditiously.
- 5. The Committee will now deal with action taken by the Government on some of the recommendations in the succeeding paragraphs.

#### A. Outlays vis-a-vis expenditure

#### [Recommendation Serial No. 1 (Para No. 2.1)]

6. With regard to Demands for Grants (2016-17) and allocation of funds, the Committee had recommended as under :-

"The Committee note that the detailed Demands for Grants (2016-17) of the Ministry of Panchayati Raj (MoPR) under Demand Number 71 were presented to Lok Sabha on 10 March, 2016 wherein the MoPR has been allocated Rs. 768.33 crore comprising Plan Outlay of Rs. 750.00 crore and Non-Plan Outlay of Rs. 18.33 crore. The Committee endorse the same. The Committee have examined the Demands for Grants of MoPR for 2016-17. The recommendations/ observations of the Committee have been set out in the succeeding paragraphs."

7. The Committee also recommended as under :-

#### [Recommendation Serial No. 1 (Para No. 2.1)]

"The Committee's examination of outlays *vis-a-vis* expenditure so far during XII Plan (2012-17) reveal that Ministry of Panchayati Raj (MoPR) received the funds as proposed during the first three years of the 12th Plan (2012-17) and the only gap visible between proposed allocation *vis-a-vis* actual allocation was during 2015-16 that also was followed by the acceptance of recommendations of the Fourteenth Finance Commission (FFC) Grants (2015-20) to provide an amount of Rs. 2,00,292.62 crore to Gram Panchayats and to delink two flagship programmes of MoPR from central support *viz.* Backward Region Grant Fund (BRGF) and State component of Rajeev Gandhi Panchayat Saskhatikaran Abhiyan (RGPSA) from 2015-16. Elaborating reasons for higher funds for 2016-17, the MoPR has stated that highest ever FFC Grants has opened new possibilities of strengthening of GPs to act as institutions of Local Self Government in line with the spirit of the Constitution as borne out by the Gram Panchayat Development Plans initiated in all Part IX States and for utilising the potential of Gram Panchayats in realizing the

targets set by the Sustainable Development Goals (SDGs). In the context of FFC Grants, the Committee also appreciate that the MoPR has come out with a roadmap projecting the quantum of funds required for strengthening of PRIs for next five years in a time-bound manner mainly on areas of institutional support, capability development, Institutional strengthening for capacity building and incentivisation of performance and have stated that complete overhaul of RGPSA scheme is underway. The Committee recommend that MoPR should expeditiously complete the ongoing overhaul of RGPSA for handling the huge FFC Grants for GPs and also coordinate the same with concerned State Governments to move forward on their respective Plans urgently."

#### 8. The Ministry in their Action Taken Reply stated as under :-

"The Ministry has initiated the process for restructuring of RGPSA with the main objective of helping PRIs to develop governance capabilities to deliver on the sustainable development goals. Consultations with the States' have been held, and the draft new scheme guidelines have been formulated. For coordinating with States to move forward on their Plans, two Writeshops with the representatives of Panchayati Raj Department of State Governments were held in April at Hyderabad and Guwahati, wherein States were oriented about training strategy in the changed scenario and facilitated to develop their capacity building plans for the year. Pending restructuring of the scheme, the States were exhorted to submit their plans at the earliest. Till 5.8.2016, capacity building proposals of 19 States have been approved."

9. The Committee in their earlier recommendation had recommended that MoPR should expeditiously complete the ongoing overhaul of RGPSA for handling large amount of FFC grants for Gram Panchayats and also coordinate the same with the concerned State Governments to move forward on their respective plans. In this regard, the Ministry, in their Action Taken Reply stated that they have initiated the process for restructuring of RGPSA with the main objective of helping PRIs to develop governance capabilities to deliver on the sustainable development goals. Further, the Ministry have stated that two writeshops with the representatives of Panchayati Raj Department of State Governments were held and pending restructuring of the scheme, the States were exhorted to submit their plans at the earliest. Also, till 05.08.2016,

capacity building proposals of 19 States have been approved. The Committee, while appreciating the initiatives taken by the Department in the matter, strongly reiterate its earlier recommendation that MoPR should earnestly expedite the ongoing overhaul of RGPSA and also coordinate the same with the concerned State Governments to move forward on their respective plans urgently.

#### B. Financial performance of MoPR

[Recommendation Serial No. 3 (Para No. 2.4, 2.5, 2.6, 2.7, 2.8)]

- 10. The Committee with regard to Scheme-wise Analysis and financial performance, had recommended as under :-
  - "The examination of Demands for Grants (2016-17) of Ministry of Panchayati Raj has revealed that out of the total of Rs. 750 crore of Plan expenditure, Rs.655 crores have been proposed for Capacity Building: Panchayat Sashaktikaran Abhiyan and remaining funds have been proposed for smaller schemes viz Incentivization of Panchayats (Rs. 38 crore), Mission Mode Project on e-Panchayats (Rs. 22 crores), Action Research (Rs. 15 crore), ATM Services in Panchayats (Rs. 10 crore), Media & Publicity (Rs. 8 crore). The scheme-wise analysis is in succeeding paragraphs.

## I. <u>Capacity Building: Panchayat Sashaktikaran Abhiyan</u> (erstwhile RGPSA)

The Committee note that centrally sponsored scheme of Rajeev Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) that was launched during the 12th Five Year Plan period to strengthen the Panchayati Raj system across the country by way of providing funds on the basis of Annual Plans of the States as approved by Central Executive Committee (CEC) of RGPSA with funding pattern of 75:25 between Central and State Governments except for North-East where it is 90:10. The Committee find that from 2015-16 the funds were received under Central Component only with 100 percent central funding. The Committee also note that from 2015-16 the programme was renamed as 'Capacity Building: Panchayat Sashaktikaran Abhiyan' and underwent a policy change in the context of huge devolution of funds to Gram Panchayats as per the recommendations of FFC. Grants and State Component of the scheme was to be met from their own resources. Various Issues concerning the scheme have been discussed as under:-

(i) Financial Performance: The Committee's examination of financial performance of RGPSA has revealed large gaps between fund sanctioned viz-a-viz fund released during 2012-13 to 2015-16 and large number of unspent balances are also figuring in during 2015-16. For instance during 2013-14, 2014-15 and 2015-16 the funds sanctioned were Rs. 1,576 crore, Rs. 2058.39 crore and Rs. 589.56 crore, whereas the funds released were as low as Rs. 560.59 crore, Rs. 481.39 crore and 103.8 crore respectively. In this connection, the issue of large amount of funds sanctioned viz-a-viz funds released during 2013-14 to 2015-16 in respect of Bihar also came up before the Committee, the MoPR Clarified that in Bihar there is requirement based on demand and in real terms the State started spending in 2014-15.

The reason for gap between funds sanctioned and funds released during 2013-14 has been the time taken by States to develop Perspective Plans involving multi-dimensional activities, seeking clearances from competent authorities, availability of land etc. Whereas for 2014-15 the Ministry of Panchayati Raj has explained that it indicated both the carry-over activities of the previous years as also the new activities sanctioned thus the total amount sanctioned appear to be high. Besides, the MoPR had also stated that releases were affected by delay on account of Parliament Elections, delay in internal clearances etc. with the result States were unable to claim the second instalment resulting in substantial cut in RE stage. In view of the foregoing the Committee feel that the MoPR should pursue the concerned State Governments to take up this issue so that the funds sanctioned under earlier RGSPA may be utilized by concerned States on their own resources.

In the case of unspent balances, the Committee are constrained to find that out of Rs. 626.04 crore of funds approved, as large as Rs. 197.28 crore are unspent balances with large number of unspent balances figuring in Uttar Pradesh (Rs. 42.79 crores), Maharashtra (Rs. 30.28 crore), Haryana (Rs. 18.62 crore), Jammu & Kashmir (Rs. 16.06 crore) and Madhya Pradesh (Rs. 13.16 crore).

The Committee also find that large number of unspent balances under Central Component of RGPSA available with Ministry of Panchayati Raj does not augur well particularly when the funds have been received in the form of Supplementary Grants. The Committee, therefore, strongly recommend the Ministry of Panchayati Raj to liquidate these huge unspent balances expeditiously.

#### 11. The Ministry in their Action Taken Reply stated as under :-

"As informed to the Committee, the budgetary provision for the scheme of RGPSA was reduced to Rs. 60 crore with the State component of the scheme being delinked. In the wake of this development, the Ministry wrote to State Governments to complete the critical and unfinished activities

sanctioned during the previous year from the State budget. State Governments have since continued with certain pending works like panchayat bhavans utilising own resources or by converging with MGNREGS funds.

Subsequently, on receipt of the supplementary grants for meeting the committed liabilities and training related activities particularly GPDP training, the States were exhorted to send their proposal by reprioritising their activities covering the above activities. During the year 2015-16 funds to the tune of Rs. 168 crore were released to 21 States / UTs under the scheme. Total expenditure under the scheme was Rs 184.40 Cr (including expenditure for central activities) against the revised allocation of Rs 191 Cr."

"The Ministry has been impressing upon the States for liquidating the unspent balances and furnishing of Utilisation Certificates under the scheme during the meeting of Secretaries' conferences and also through video conferences, written communications. Further, while considering the respective States' proposal in the CEC, It has been pointed out that unspent balances will affect the quantum of release as such it was important that the States liquidated the unspent balances to get maximum of releasable amount. With the States gearing up for decentralised training campaigns for GPDPs, expenditure has picked up. The unspent balances of the States of Uttar Pradesh, Maharashtra, Haryana, J&K and Madhya Pradesh have come down as under:

Uttar Pradesh (Rs. 19.52 crore), Maharashtra (Rs. 0.00), J&K (Rs. 15.77 crore) and Madhya Pradesh (Rs. 1.28 crore) and Haryana (6.42 crore).

With regard to large number of unspent balance under central component, it is stated that despite the sanctions being issued under the scheme, the funds could not be released due to issue of re-appropriation of funds under the scheme and unspent balances. However, as soon as the above issues were sorted out, the releases were made expeditiously and out of revised allocation of Rs. 191 crore under the scheme, expenditure of Rs. 184.40 crore has been made. The unspent balance in States as reported in August 2016 has come down to Rs. 188.02 cr. (14.03% cr. of the total release)."

12. The Committee, while finding that large number of unspent balances under Central Component of RGPSA available with MoPR which did not augur well particularly when the funds have been received in form of supplementary grants, had recommended that MoPR should liquidate these huge unspent balances expeditiously. However, in this regard, MoPR in their

Action Taken Reply had stated that funds could not be released due to issue of re-appropriation of funds under the schemes and unspent balances and that as soon as issues were sorted out, releases were made expeditiously and unspent balance in States as reported in August 2016 came down to Rs. 188.02 Cr. (14.03% of the total release). However, still keeping in view such large amount of unspent balances in States, the Committee are of the strong opinion that MoPR should be more vigilant in monitoring the spending of funds allocated and released to the States and rigorously impress upon the States to liquidate the unspent balances expeditiously and also that in future MoPR should before hand sort out the issues impeeding the release for optimum utilisation for the related schemes. The Committee therefore reiterate their recommendation in the matter.

#### C. Challenges before MoPR

#### [Recommendation Serial No. 4 (Para No. 2.9)]

13. The Committee in context of shortage of Gram Panchyat Bhawans, recommended as under :-

"The Committee are constrained to note that in many States the situation is similar. For instance, in Punjab 7,776 GPs, in Maharashtra 4,363 GPs, in Haryana 2,516 GPs, in Bihar 2,182 GPs, in Himachal Pradesh 1,776 GPs, in Jammu & Kashmir 1,943 GPs, in Jharkhand 1,770 GPs and Uttarakhand 1,352 GPs do not have Panchayat Bhavan of their own. In this connection, it came out before the Committee that MoPR is already seized of the issue and have termed it very crucial for smooth functioning of Panchayat for delivery of services to people. The MoPR has however, clarified that since providing infrastructure in Gram Panchayats is within the purview of States, it is upto the States to provide the Panchayat Bhavans in Gram Panchayats. The Ministry however, on its part has impressed upon the States from time to time for doing the needful. Further, the MoPR has also informed that construction of Gram Panchayat Bhavans has been notified as one of the permissible activities under MGNREGA and funds required for material for construction can be pooled form MGNREGA and in this regard the Ministry is

pursuing with the Ministry of Rural Development, Department of Rural Development. The MoPR has also brought out before the Committee statistics showing sanction for construction and repairs of Panchayat Bhavans under RGPSA previously during 2013-14 and 2014-15. It also came out during the course of evidence of the representatives of MoPR that currently no funds are being provided for construction of Gram Panchayat Bhavans under RGPSA as has been done in the past. However, MGNREGA funds are available and MoPR is trying to get the FFC Grants (2015-16) subject to concurrence of Ministry of Finance and have decided to monitor the construction of Gram Panchayat offices by using ten percent of Performance Grants that is basically on additional resources mobilised by Gram Panchayat in the previous year and for that formula will have to be set by State Governments for which the last date was 31st March, 2016 and many States have already done it. The Committee recommend that in view of large number of States running without Gram Panchayats Bhavans, MoPR should expeditiously work out a time table for construction of Gram Panchayat Bhavans in Gram Panchayats and necessary wherewithal and logistics are at least given to these States by using MGNREGA/FFC Funds."

#### 14. The Ministry in their Action Taken Reply stated as under :-

"The guidelines issued by Ministry of Finance No.13(32)FFC/FCD/2015-16 dated 8th October, 2015 for implementation of recommendation of Fourteenth Finance Commission (FFC) with regard to Local Bodies grant has stipulated on the purpose of Performance Grant as below:

"The Performance Grants are designed to serve the purpose of ensuring reliable audited accounts and data of receipts and expenditure and improvement in own revenues. This will enable initiation of action at the grassroots level for compilation of data so that all stakeholders have access to reliable information for decision making and at the same time, it will enhance accountability of the local self-government institutions to the public."

As the Ministry of Finance (MoF) guidelines prescribe that the FFC (basic and performance) grants are meant to be used towards ensuring basic services such as water supply, sanitation including septic management, sewage and solid management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street-lighting, burial and cremation grounds and any other basic services within the functions assigned to the Gram Panchayats under relevant legislations, it is implied that expenditure towards construction of Panchayat Bhawans cannot be incurred from the FFC Grants released to the Local Bodies."

15. In the context of various challenges being faced by MoPR and with particular reference to shortage of Panchayat Bhawans, the Committee had recommended that in view of large number of States running without Gram Panchayat Bhawans, MoPR should expeditiously workout a time table for construction of Gram Panchayat Bhawans and necessary wherewithal and logistics are at least given to these States by using MGNREGA/FFC funds. The Ministry, in this regard, in their Action Taken Reply stated that as per the guidelines of the Ministry of Finance FFC (basic and performance) grants are meant to be used towards ensuring basic services such as water supply, sanitation, maintenance of roads and other basic services within the functions assigned to the Gram Panchayats under relevant legislations, it is implied that expenditure towards constructions of Panchayat Bhawans cannot be incurred from FFC Grants released to the local bodies. However, the Committee are dismayed to note that the Ministry have kept silent regarding the use of MGNERGA funds for construction of Gram Panchayat Bhawans and also, no details have been specified regarding working out of logistics in the matter. The Committee, therefore, stress that MoPR should effectively coordinate with Ministry of Rural Development, Department of Rural Development to get funds released under MGNREGA for the construction of Gram Panchayat Bhawans and the Committee, reiterate their recommendation that a specific time table may be worked out for expeditious construction of Gram Panchayat Bhawans in Gram Panchayats in various States by providing all the necessary assistance to them.

#### D. Lack of trained manpower in Gram Panchayat

#### [Recommendation Serial No. 5 (Para No. 2.10)]

16. The Committee with regard to lack of trained manpower in Gram Panchayat recommended as under :-

"During the course of examination, the issue of lack of manpower in Gram Panchayat also came up before the Committee prominently. The Committee were informed that inadequate trained manpower in terms of manager, development officers, accountants, engineers at Gram Panchayat level is being experienced in all the States barring Kerala, Sikkim, Karnataka, Goa and West Bengal. Further, in States like Uttar Pradesh, Bihar, Madhya Pradesh and Jharkhand, the staff availability in GPs is extremely low and particularly in Uttar Pradesh, the situation is worst where one Panchayat Sachiv is managing as many as 6 GPs approximately. With a view to address the situation, the MoPR has already prioritised operationalising the Gram Panchayat Development Plans and FFC Grants for looking after trained manpower requirements at Gram Panchayat level in the country and have submitted the State-wise details in this regard showing progress made and timelines drawn across 26 States. The Committee are constrained to note that training process is complete only in four States of Andhra Pradesh, Goa, Jharkhand and Telangana. The Committee are also dismayed to note that in States like Uttar Pradesh, Assam and Haryana it is on-going/commenced whereas in Rajasthan it is yet to commence. In respect of States of Chhattisgarh, Jammu & Kashmir, Karnataka, Maharashtra, Manipur, Odisha, Tripura and Uttarakhand different dates have been shown and the Committee are unable to comprehend the exact status and require a clarification in this regard. The Committee feel that progress of the State-wise level of training is far from satisfactory and needs to be upscaled in a big way.

In this connection, during examination of Demands for Grants (2016-17) of Department of Rural Development, it came out before the Committee that as large as 3,000 Barefoot Technicians (BFTs) will be made available at GP level by 2016-17. The MoPR has also admitted candidly before the Committee that there is strong need to develop capacity building of PRIs in the changed scenario, with enhanced allocation of funds under the RGPSA is also being aligned to meet the post FFC award scenario. It also came out before the Committee that out of the 26 States which have Gram Panchayats, 24 States have issued specific Guidelines and partial roll out of Gram Panchayat Development Plans (GPDPs) had already commenced in States in integrating MGNREGA with FFC Fund and full roll out will occur in 2016-17. Meanwhile, the MoPR has also spelt out various State level workshops held from time to time and discussion held with 13 States also. The Secretary, MoPR apprised the Committee that the Government is trying to address the issue in a multipronged way only for GP level. Firstly, since creation of staff takes time, MoPR has asked State Governments to give some technical support from existing staff temporarily by issuing necessary Guidelines. Secondly, issuing ten

percent FFC Grants for hiring or outsourcing professional people. Thirdly, to use long term solution by addressing the manpower needs scientifically through technical experts. In the light of acute shortage of trained manpower at Gram Panchayat level in States like Uttar Pradesh, Madhya Pradesh and Jharkhand and in view of slow progress with regard to training in almost all States barring few States and in the light of impending full roll out of FFC Grants in 2016-17, the Committee recommend that the aspect of making available the trained manpower to Gram Panchayats be taken up by MoPR with MoRD and State Governments in a comprehensive and time-bound manner."

#### 17. The Ministry in their Action Taken Reply stated as under :-

"The timelines indicated pertain to the time frame set by the States for completion of the GPDP processes. The processes for GPDP include:

- Finalisation and issue of GPDP guidelines by the State (all States have issued by March 2016)
- Development of capacity building strategy for decentralised planning through cascading mode of training
- Identification of master trainers, trainers and resource persons at State, district, block and cluster levels for conduct of training and coordination of GPDP (states have adopted different processes, including advertisement and interviews at various levels)
- Obtaining approval of Capacity development plan and funds for conduct of training
- Conduct of Training of trainers and roll out of cascading trainings (at State, district, block and cluster levels)
- Communication of resource envelope to panchayats regarding the resources available under
  - o FFC
  - o MGNREGS
  - Own source Revenue
  - Funds received on the basis of SFC recommendations
- o Funds from CSS where GP has major implementation responsibility
- o Funds for State schemes where funds are routed through the gram panchayats
- Formation of participatory planning teams (either at GP level, or in the case of very small panchayats, at the cluster level)
- Conduct of environment generation activities up to the grassroots for dissemination of the GPDP process and role of the people
- Training of all stakeholders including ERs, officials and participatory planning teams on GPDP processes

- Conduct of Participatory exercises for situation analysis, vulnerability mapping or community consultations on development priorities
- Consolidation into local development reports and discussion in the gram sabha (some States have 2 Gram sabhas for GPDP discussion and approval, some have 3 gram sabhas – for environment generation, discussion on situation analysis and final approval of projects – this is specific to the GPDP guidelines of the State)
  - Finalisation of projects
  - Approval of the GPDP
  - Technical approval of projects
  - Coordination for implementation

While some States like Telengana initiated the process of strategy setting for GPDP immediately after the GPDP workshops in July and August 2015, some States like Haryana waited till the final approval of the State GPDP guidelines. Other States (like Rajasthan) were constrained by elections to PRIs in 2015 -16, necessitating that the induction training of the newly Elected Representatives was completed before the GPDP process could commence. In some States the processes were simplified for expediting approval and implementation, whereas in others (like Assam) detailed consultations and multiple gram sabhas were envisaged to amplify people's participation.

The capacity building strategy has also impacted on the timelines of the States. Some States worked with available faculty and resource persons with the SIRDs, while some States invested in developing State level resource pools for developing and coordinating training programmes. In view of the need for detailed training, timelines were set by States taking into account the availability of funds and resources for training.

The Ministry had taken proactive action to put in place GPDP guidelines by the States and had undertaken a range of supporting activities to ensure the same. States were also asked to send the Capability Building matrix in the context of their guidelines and their Annual proposals under RGPSA so as to appraise the proposals from the perspective of system support/ coordination for planning as proposed in their respective guidelines and for consequent training and handholding requirement to be funded under RGPSA. Subsequently, the proposals of 27States/ UTs primarily containing activities relating to CB&T were approved. However, as informed earlier the funds could be released only after December, 2015 due to clarification on the issue of reappropriation and unspent balances. To cope with the training requirements of those States to whom no funds were released or whowere in short receipt of funds, the Ministry had advised such States to undertake the GPDP training from the unspent balance available with them under various RGPSA components. It is now observed that the training in the above states has been progressing well. Against the sanction for training of 28 lakh persons, altogether 25.5 lakh persons have been trained with funds under the scheme

as on 20.7.2016. The status of trainings and total number of stakeholders trained in these states is as under:

1	Assam	All the sanctioned trainings of resources persons of State, District level and Elected representatives have been completed. Panchayat level consultations and Gram Sabhas are ongoing.57005 persons trained.
2	Chhattisgarh	All the trainings sanctioned under GPDP have been completed 130859 persons trained.
3	Haryana	The sanctioned training for all the Sarpanches is under way. Other sanctioned training will be started soon.
4	Jammu & Kashmir	State level training has been completed.
5	Karnataka	GPDP trainings have been imparted to a total no of 29888ERs and Panchayat Functionaries
6	Maharashtra	100 State level MTs and 8000 Charge officers/trainers at District level have been trained. Situation analysis and gram sabhas are ongoing. Total persons trained till date: 848436
7	Manipur	ToT training and GPDP orientation up to the block level done. 2677persons trained.
8	Rajasthan	District level training has been completed. Training below district level is under way. 23639 persons have been trained so far.
9	Odisha	GPDP trainings have been completed. 23291 ERs and Functionaries have been trained so far.
10	Sikkim	State Level training has been completed. Participatory exercises at the gram panchayat level are ongoing. 252 persons trained.
11	Uttar Pradesh	State level MT training has been completed. District and sub district level training is going on. 417794 persons have been trained.

12	Uttarakhand	GPDP trainings have been completed and 7174 GPs
		have finalized their plans.25627 persons have been trained.

18. Taking note of the acute shortage of trained manpower at Gram Panchayat level in States like Uttar Pradesh, Madhya Pradesh and Jharkhand and slow progress of training in many States, the Committee recommended that the aspect of making available the trained manpower to Gram Panchayats be taken up by MoPR with MoRD and State Governments in a comprehensive and time bound manner. In this regard, the Ministry in their Action Taken Notes while detailing the processes for GPDP, inter-alia stated that the Ministry had taken proactive action to put in place GPDP guidelines by the States and had under-taken a range of supporting activities to ensure the same. The Ministry have further stated that against the sanction for training of 28 lakh persons, 25.5 lakh persons have been trained with funds under the scheme as on 20.07.2016. While appreciating the efforts of the Ministry, the Committee reiterate that training process for Gram Panchayats should be pro-actively taken up by MoPR alongwith the MoRD and State Governments in a comprehensive and time-bound manner as trained manpower would considerably increase the effective functioning of Panchayats in the country and develop the capacity building of PRIs.

# E. <u>Leveraging Space Technology for training requirement of Panchayats</u> [Recommendation Serial No. 6 (Para No. 2.11)]

19. The Committee with regard to leveraging Space Technology for training requirement of Panchayats recommended as under :-

"The Committee appreciate that in pursuance of Prime Minister's advice to all Ministries to leverage Space Technology in Governance, Ministry of Panchayati Raj has taken up universalisation of SATCOM facilities in partnership with Indian Space Research Organization (ISRO) upto Block level by way of setting up State level Studio at State Institute of Rural Development (SIRD) or at any location identified by State Government for broadcasting training programme and for opening up 2 way audio-video terminal at District and Block level to augment training requirements and thirteen States of Andhra Pradesh, Haryana, Jammu & Kashmir, Odisha, Punjab, Arunachal Pradesh, Bihar, Jharkhand, Tamil Nadu, Tripura, Uttarakhand, Himachal Pradesh and Uttar Pradesh have been identified for funding in 2015-16 and all States/UTs would be brought in 2016-17. For this States/UTs would provide necessary space and infrastructure. The Committee also appreciate that State Governments as also ISRO are largely willing to work together on this issue and planned to be completed in 2016-17. The Committee feel that MoPR should operationalise the same expeditiously during 2016-17 and expand it in remaining States/UTs also."

#### 20. The Ministry in their Action Taken Reply states as under :-

"Support to States for SATCOM could not be provided in 2015-16 due to non-finalisation of issue of 2-way interactive terminals at District and Block level. The discussions were continued in 2016-17 with Ministry of Electronics and Information Technology (MeitY) for establishing video connectivity through terrestrial network and also with Bhaskaracharya Institute for Space Applications and Geo-informatics (BISAG), Gujarat for exploring the possibility of having a dedicated free-to-air Direct-To-Home (DTH) channel. From the initial discussions with BISAG, it has been observed that utilizing the services of one of the two ISRO EDUSAT channels presently underutilized by BISAG may be one of the cost effective modes of piloting distance learning facilities at the district levels in a few States. The ISRO is being requested to make available one EDUSAT channel for dedicated use of MoPR. It is also being proposed to utilize Doordarshan studios in different States on hiring basis for developing and broadcast of training modules by utilizing the uplinking facilities at BISAG. The modalities are being worked out and it is expected that during the year 2016-17 pilots in a few States for broadcasting programmes upto district levels will be initiated."

21. The Committee in their earlier recommendation had observed that MoPR has taken up universalisation of SATCOM facilities in partnership with ISRO up to Block level by way of setting up State level Studio at State Institute of Rural Development (SIRD) or at any location identified by State Government for broadcasting training programme and opening up 2 way audio-video terminal at District and Block level to augment training requirements and 13 States have been identified for funding in 2015-16 and all States/UTs would be covered in 2016-17. The Committee had, therefore, recommended that MoPR should operationalise the same expeditiously during 2016-17 and expand it in remaining states/UTs also. In this regard, the Ministry in their action taken notes have inter-alia stated that ISRO is being requested to make available one EDUSAT channel for dedicated use of MoPR. Also, it is being proposed to utilize Doordarshan studios in different States on hiring basis for developing and broadcast of training modules by utilizing the uplinking facilities at BISAG and modalities are being worked out and it is expected that during the year 2016-17 pilots for broadcasting programmes upto district levels will be initiated in a few States. The Committee, therefore, recommend that MoPR should work out the various modalities involved expeditiously and during 2016-17 pilot broadcasting programmes upto district level in the States should be initiated within the stipulated time period so that leveraging space technology for training requirement of Panchayats is operationalised in all the States/UTs in a time-bound manner.

#### **CHAPTER II**

#### RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 1, Para No. 2.1, 2.2)

The Committee note that the detailed Demands for Grants (2016-17) of the Ministry of Panchayati Raj (MoPR) under Demand Number 71 were presented to Lok Sabha on 10 March, 2016 wherein the MoPR has been allocated Rs. 768.33 crore comprising Plan Outlay of Rs. 750.00 crore and Non-Plan Outlay of Rs. 18.33 crore. The Committee endorse the same. The Committee have examined the Demands for Grants of MoPR for 2016-17. The recommendations/observations of the Committee have been set out in the succeeding paragraphs.

The Committee's examination of outlays vis-a-vis expenditure so far during XII Plan (2012-17) reveal that Ministry of Panchayati Raj (MoPR) received the funds as proposed during the first three years of the 12th Plan (2012-17) and the only gap visible between proposed allocation vis-a-vis actual allocation was during 2015-16 that also was followed by the acceptance of recommendations of the Fourteenth Finance Commission (FFC) Grants (2015-20) to provide an amount of Rs. 2,00,292.62 crore to Gram Panchayats and to delink two flagship programmes of MoPR from central support viz. Backward Region Grant Fund (BRGF) and State component of Rajeev Gandhi Panchayat Saskhatikaran Abhiyan (RGPSA) from 2015-16. Elaborating reasons for higher funds for 2016-17, the MoPR has stated that highest ever FFC Grants has opened new possibilities of strengthening of GPs to act as institutions of Local Self Government in line with the spirit of the Constitution as borne out by the Gram Panchayat Development Plans initiated in all Part IX States and for utilising the potential of Gram Panchayats in realizing the targets set by the Sustainable Development Goals (SDGs). In the context of FFC Grants, the Committee also appreciate that the MoPR has come out with a roadmap projecting the quantum of funds required for strengthening of PRIs for next five years in a time-bound manner mainly on areas of institutional support, capability development, Institutional strengthening for capacity building and incentivisation of performance and have stated that complete overhaul of RGPSA scheme is underway. The Committee recommend that MoPR should expeditiously complete the ongoing overhaul of RGPSA for handling the huge FFC Grants for GPs and also coordinate the same with concerned State Governments to move forward on their respective Plans urgently.

#### **Reply of the Government**

The Ministry has initiated the process for restructuring of RGPSA with the main objective of helping PRIs to develop governance capabilities to deliver on the sustainable development goals. Consultations with the States' have been held, and the draft new scheme guidelines have been formulated. For coordinating with States to move forward on their Plans, two Writeshops with the representatives of Panchayati Raj Department of State Governments were held in April at Hyderabad and Guwahati, wherein States were oriented about training strategy in the changed scenario and facilitated to develop their capacity building plans for the year. Pending restructuring of the scheme, the States were exhorted to submit their plans at the earliest. Till 5.8.2016, capacity building proposals of 19 States have been approved.

[ O.M. No. H-11013/9/2016-Parliament, Dated: 12.09.2016]

#### **Comments of the Committee**

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

#### Recommendation (Sl.No.5, Para No. 2.10)

During the course of examination, the issue of lack of manpower in Gram Panchayat also came up before the Committee prominently. The Committee were informed that inadequate trained manpower in terms of manager, development officers, accountants, engineers at Gram Panchayat level is being experienced in all the States barring Kerala, Sikkim, Karnataka, Goa and West Bengal. Further, in States like Uttar Pradesh, Bihar, Madhya Pradesh and Jharkhand, the staff availability in GPs is extremely low and particularly in Uttar Pradesh, the situation is worst where one Panchayat Sachiv is managing as many as 6 GPs approximately. With a view to address the situation, the MoPR has already prioritised operationalising the Gram Panchayat Development Plans and FFC Grants for looking after trained manpower requirements at Gram Panchayat level in the country and have submitted the State-wise details in this regard showing progress made and timelines drawn across 26 States. The Committee are constrained to note that training process is complete only in four States of Andhra Pradesh, Goa, Jharkhand and Telangana. The Committee are also dismayed to note that in States like Uttar Pradesh, Assam and Haryana it is on-going/commenced whereas in Rajasthan it is yet to commence. In respect of States of Chhattisgarh, Jammu & Kashmir, Karnataka, Maharashtra, Manipur, Odisha, Tripura and Uttarakhand different dates have been shown and the Committee are unable to comprehend the exact status and require a clarification in this regard. The Committee feel that progress of the State-wise level of training is far from satisfactory and needs to be upscaled in a big way.

In this connection, during examination of Demands for Grants (2016-17) of Department of Rural Development, it came out before the Committee that as large as 3,000 Barefoot Technicians (BFTs) will be made available at GP level by 2016-17. The MoPR has also admitted candidly before the Committee that there is strong need to develop capacity building of PRIs in the changed scenario, with enhanced allocation of funds under the RGPSA is also being aligned to meet the post FFC award scenario. It also came out before the Committee that out of the 26 States which have Gram Panchayats, 24 States have issued specific Guidelines and partial roll out of Gram Panchayat Development Plans (GPDPs) had already commenced in States in integrating MGNREGA with FFC Fund and full roll out will occur in 2016-17. Meanwhile, the MoPR has also spelt out various State level workshops held from time to time and discussion held with 13 States also. The Secretary, MoPR apprised the Committee that the Government is trying to address the issue in a multi-pronged way only for GP level. Firstly, since creation of staff takes time, MoPR has asked State Governments to give some technical support from existing staff temporarily by issuing necessary Guidelines. Secondly, issuing ten percent FFC Grants for hiring or outsourcing professional people. Thirdly, to use long term solution by addressing the manpower needs scientifically through technical experts. In the light of acute shortage of trained manpower at Gram Panchayat level in States like Uttar Pradesh, Madhya Pradesh and Jharkhand and in view of slow progress with regard to training in almost all States barring few States and in the light of impending full roll out of FFC Grants in 2016-17, the Committee recommend that the aspect of making available the trained manpower to Gram Panchayats be taken up by MoPR with MoRD and State Governments in a comprehensive and time-bound manner.

#### Reply of the Government

The timelines indicated pertain to the time frame set by the States for completion of the GPDP processes. The processes for GPDP include

- Finalisation and issue of GPDP guidelines by the State (all States have issued by March 2016)
- Development of capacity building strategy for decentralised planning through cascading mode of training
- Identification of master trainers, trainers and resource persons at State, district, block and cluster levels for conduct of training and coordination of GPDP (states have adopted different processes, including advertisement and interviews at various levels)

- Obtaining approval of Capacity development plan and funds for conduct of training
- Conduct of Training of trainers and roll out of cascading trainings (at State, district, block and cluster levels)
- Communication of resource envelope to panchayats regarding the resources available under
- o FFC
- o MGNREGS
- o Own source Revenue
- o Funds received on the basis of SFC recommendations
- o Funds from CSS where GP has major implementation responsibility
- o Funds for State schemes where funds are routed through the gram panchayats
- Formation of participatory planning teams (either at GP level, or in the case of very small panchayats, at the cluster level)
- Conduct of environment generation activities up to the grassroots for dissemination of the GPDP process and role of the people
- Training of all stakeholders including ERs, officials and participatory planning teams on GPDP processes
- Conduct of Participatory exercises for situation analysis, vulnerability mapping or community consultations on development priorities
- Consolidation into local development reports and discussion in the gram sabha (some States have 2 Gram sabhas for GPDP discussion and approval, some have 3 gram sabhas for environment generation, discussion on situation analysis and final approval of projects this is specific to the GPDP guidelines of the State)
- Finalisation of projects
- Approval of the GPDP
- Technical approval of projects
- Coordination for implementation

While some States like Telengana initiated the process of strategy setting for GPDP immediately after the GPDP workshops in July and August 2015, some States like Haryana waited till the final approval of the State GPDP guidelines. Other States (like Rajasthan) were constrained by elections to PRIs in 2015 -16, necessitating that the induction training of the newly Elected Representatives was completed before the GPDP process could commence. In some States the processes were simplified for expediting approval and implementation, whereas in others (like Assam) detailed consultations and multiple gram sabhas were envisaged to amplify people's participation.

The capacity building strategy has also impacted on the timelines of the States. Some States worked with available faculty and resource persons with the SIRDs, while some States invested in developing State level resource pools for developing and coordinating training programmes. In view of the need for detailed training, timelines were set by States taking into account the availability of funds and resources for training.

The Ministry had taken proactive action to put in place GPDP guidelines by the States and had undertaken a range of supporting activities to ensure the same. States were also asked to send the Capability Building matrix in the context of their guidelines and their Annual proposals under RGPSA so as to appraise the proposals from the perspective of system support/ coordination for planning as proposed in their respective guidelines and for consequent training and handholding requirement to be funded under RGPSA. Subsequently, the proposals of 27States/ UTs primarily containing activities relating to CB&T were approved. However, as informed earlier the funds could be released only after December, 2015 due to clarification on the issue of reappropriation and unspent balances. To cope with the training requirements of those States to whom no funds were released or whowere in short receipt of funds, the Ministry had advised such States to undertake the GPDP training from the unspent balance available with them under various RGPSA components. It is now

observed that the training in the above states has been progressing well. Against the sanction for training of 28 lakh persons, altogether 25.5 lakh persons have been trained with funds under the scheme as on 20.7.2016. The status of trainings and total number of stakeholders trained in these states is as under:

1	Assam	All the sanctioned trainings of resources persons of State, District level and Elected representatives have been completed. Panchayat level consultations and Gram Sabhas are ongoing.57005 persons trained.
2	Chhattisgarh	All the trainings sanctioned under GPDP have been completed 130859 persons trained.
3	Haryana	The sanctioned training for all the Sarpanches is under way. Other sanctioned training will be started soon.
4	Jammu & Kashmir	State level training has been completed.
5	Karnataka	GPDP trainings have been imparted to a total no of 29888ERs and Panchayat Functionaries
6	Maharashtra	100 State level MTs and 8000 Charge officers/trainers at District level have been trained. Situation analysis and gram sabhas are ongoing. Total persons trained till date: 848436
7	Manipur	ToT training and GPDP orientation up to the block level done. 2677persons trained
8	Rajasthan	District level training has been completed. Training below district level is under way. 23639 persons have been trained so far.
9	Odisha	GPDP trainings have been completed. 23291 ERs and Functionaries have been trained so far.
10	Sikkim	State Level training has been completed. Participatory exercises at the gram panchayat level are ongoing. 252 persons trained
11	Uttar Pradesh	State level MT training has been completed. District and sub district level training is going on. 417794 persons have been trained.
12	Uttarakhand	GPDP trainings have been completed and 7174 GPs have finalized their plans.25627 persons have been trained

[O.M. No. H-11013/9/2016- Parliament, Dated: 12.09.2016]

#### **Comments of the Committee**

(Please see Paragraph No. 18 of Chapter I of the Report)

#### Recommendation (Sl. No. 6, Para No. 2.11)

The Committee appreciate that in pursuance of Prime Minister's advice to all Ministries to leverage Space Technology in Governance, Ministry of Panchayati Raj has taken up universalisation of SATCOM facilities in partnership with Indian Space Research Organization (ISRO) upto Block level by way of setting up State level Studio at State Institute of Rural Development (SIRD) or at any location identified by State Government for broadcasting training programme and for opening up 2 way audio-video terminal at District and Block level to augment training requirements and thirteen States of Andhra Pradesh, Haryana, Jammu & Kashmir, Odisha, Punjab, Arunachal Pradesh, Bihar, Jharkhand, Tamil Nadu, Tripura, Uttarakhand, Himachal Pradesh and Uttar Pradesh have been identified for funding in 2015-16 and all States/UTs would be brought in 2016-17. For this States/UTs would provide necessary space and infrastructure. The Committee also appreciate that State Governments as also ISRO are largely willing to work together on this issue and planned to be completed in 2016-17. The Committee feel that MoPR should operationalise the same expeditiously during 2016-17 and expand it in remaining States/UTs also.

#### **Reply of the Government**

Support to States for SATCOM could not be provided in 2015-16 due to non-finalisation of issue of 2-way interactive terminals at District and Block level. The discussions were continued in 2016-17 with Ministry of Electronics and Information Technology (MeitY) for establishing video connectivity through terrestrial network and also with Bhaskaracharya Institute for Space Applications and Geo-informatics (BISAG), Gujarat for exploring the possibility of having a dedicated free-to-air Direct-To-Home (DTH) channel. From the initial discussions with BISAG, it has been observed that utilizing the services of one of the two ISRO EDUSAT channels presently underutilized by BISAG may be one of the cost effective modes of piloting distance learning facilities at the district levels in a few States. The ISRO is being requested to make available one EDUSAT channel for dedicated use of MoPR. It is also being proposed to utilize Doordarshan studios in different States on hiring basis for developing and broadcast of training modules by utilizing the uplinking facilities at BISAG. The modalities are being worked out and it is expected that during the year 2016-17 pilots in a few States for broadcasting programmes upto district levels will be initiated.

[O.M. No. H-11013/9/2016-Parliament, Dated: 12.09.2016]

#### **Comments of the Committee**

(Please see Paragraph No. 21 of Chapter I of the Report)

#### Recommendation (Sl. No. 8, Para No. 2.13)

The Committee appreciate that MoPR has come out with a new scheme of Incentivization of Panchayats that was earlier part of earstwhile RGPSA with a view to improve performance of Panchayats by specifically bringing out the issue of their performance into prominence and focus the attention of policy makers by encouraging State Governments to develop their system of assessment. The Committee also find under the scheme Panchayat Sashaktikaran Puraskar (PSP) and Rashtriya Gaurav Gram Sabha (RGGS) Puraskars are given to identify Panchayats making good work in eight themes like sanitation, clinic services, disaster management, innovation in revenue generation etc. The Committee find that MoPR has been implementing this scheme for a quite long time previously and with the recent innovation this scheme has been launched for 2016-17. The Committee feel that MoPR should monitor this scheme effectively in different States for real empowerment of PRIs across the country.

#### **Reply of the Government**

The objective of the "Incentivization of Panchayats" Scheme is due recognition of PRIs that perform their role well. The Scheme has an inbuilt monitoring mechanism which operates at different levels as follows:

- (i) The questionnaires for each category of Awards have been developed by the Ministry by utilizing various criteria/ indicators to measure accountability system and transparent functioning in Panchayats.
- (ii) A State Panchayat Assessment Committee is set up by the State Governments to oversee the whole process of selection of best performing PRIs and make recommendations to MoPR after due verifications.
- (iii) Field verification of Panchayats nominated by states and to be considered for awards is done by MoPR through independent agencies.

[O.M. No. H-11013/9/2016-Parliament, Dated: 12.09.2016]

#### Recommendation (Sl. No. 9, Para No. 2.14)

The Committee's examination of 12th Plan (2012-17) allocation under Media & Publicity indicate that as against the total allocation of Rs. 100 crores, the actual allocation was Rs. 65 crores only. Besides, there was reduction from the level of BE to RE during 2012-13 and 2014-15 also. For instance, the BE 2012-13 and 2013-14 of Rs. 17 crore and Rs. 20 crore were brought down to as low as Rs. 12 crore and Rs. 10 crore respectively. Further, the BE 2015-16 was further reduced to a mere Rs. 5 crores. As for 2016-17, Rs. 8 crore have been proposed at BE level. While reviewing the expenditures during all four years of the current Plan, the Committee find that the expenditure were cent percent during 2012-13 and almost full in subsequent year that is 2013-14. However, in the next year i.e. 2014-15 it was half of the RE. Further, during 2015-16 the already less amount was almost utilized. The Committee are constrained to note that cumulative shortfall between funds allocated during 12 Plan vis-a-vis funds given at reduction from BE to RE level in different years and abysmally lower level of funds during 2015-16 does not augur well with the overall allocations vis-a-vis utilization of the scheme. The Committee therefore feel that the MoPR should amend its ways and means for better allocation and utilization in future.

#### **Reply of the Government**

It is true that there was a reduction in allocation under the head Media & Publicity from Rs. 17 cr. (BE) to Rs. 12 cr. (RE) in 2012-13 and from Rs. 20 cr. (BE) to Rs. 10 cr. (RE) in 2014-15. It is noted that the significant reduction in allocation was in 2014-15. The main reason for reduction in allocation during 2014-15 was due to the fact that during year, the funds could not be utilized as per the media plan because the National Panchayati Raj Day (NPRD) function which takes place on 24th April every year, could not be held as the Model Code of Conduct was in operation. It is pertinent to mention here that during the NPRD function, a national level campaign is launched on various aspects of decentralization and strengthening of Panchayati Raj Institutions. Another reason for lower expenditure was non-maturing of films commissioned during the year for payment. Because of lower expenditure during 2014-15 only an amount of Rs. 5 crore was allocated for Media & Publicity during 2015-16 which has been increased to Rs. 8 cr. during 2016-17. However, the recommendation of the Hon'ble Committee regarding better allocation and utilization of funds under this head is noted.

[O.M. No. H-11013/9/2016- Parliament, Dated: 12.09.2016]

#### Recommendation (Sl. No. 11, Para No. 2.16)

The Committee are glad to note that as against the 12th Plan allocation of Rs. 19 crore, the cumulative BE under the scheme comes to Rs. 26 crore. The Committee are happy to note that as against the total BE in first four years of Rs. 11 crore as high as Rs. 15 crore have been proposed for 2016-17. In this context, the Ministry has stated that it is necessary to conduct impact assessment and evaluation studies on implementation of FFC and GPDP; qualitative assessment in the form of State of Panchayat Report, 2016-17; independent study to rank State along a Panchayat devolution Index, etc. In the light of quantum jump in allocation of funds during 2016-17 over the cumulative BE of first four years of the Current Plan, the Committee expect the MoPR to use the amount judiciously and fully. The Committee also recommend the Ministry to expedite the various studies being undertaken and publish the recommendations thereon to facilitate the States in effective functioning of Panchayats.

#### **Reply of the Government**

The recommendations of the Hon'ble Committee to expedite the various studies being undertaken by the Ministry are noted. The matter is being pursued with the various research institutes to get the on- going studies completed expeditiously for sharing the findings with the States and other stakeholders.

The process for launching of the study on State of Panchayat Report (SoPR) 2016-17 and Devolution Index (DI) Report 2016-17, is going to be completed very soon.

A parallel exercise has also been undertaken to identify the new themes for launching the action research & research studies during the current financial year to meet the emerging requirements.

[O.M. No. H-11013/9/2016- Parliament, Dated: 12.09.2016]

#### Recommendation (Sl. No. 12, Para No. 2.7)

The Committee note that the Mission Mode for e-Panchayats earlier a component under RGPSA has been allocated a sum of Rs. 22 crore for the year 2016-17 for addressing various aspects like Panchayat functioning including budgeting, planning, accounting, monitoring, social audit etc. Besides, it seeks to modify Plan Plus and PRIASoft softwares to take account of the recommendations of the Fourteenth Finance Commission and to ensure preparation of participatory Gram Panchayat Development Plans, setting up SATCOM facilities etc. In this connection, it came out before the Committee that various constraints like assured power supply, broadband connectivity in Gram Panchayats, Computer literacy among grassroot functionaries etc. may affect the over-all implementation of e-Panchayats Programme. In this context, the MoPR stated that such hurdles can be overcome at local level if the project is actively driven by the States and District Administration and the level of preparedness of Panchayats with reference to e-Enablement is dependent on availability of adequate ICT infrastructure, trained manpower, adequate staff, capacity of Panchayats to operate such sophisticated softwares etc. which varies across States/UTs. The Committee apprehend that without addressing these pre-requisites comprehensively, it would be difficult to implement the scheme fully. The Committee therefore, desire that instead of leaving the issues at the mercy of State Governments and local administration, the MoPR should play a pro-active role for effective implementation of the scheme in years to come.

It also came out before the Committee that with a view to have uniform accounting practice across the PRIs, the MoPR has informed the Committee that as many as 18 States namely Andhra Pradesh, Assam, Bihar, Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand, Maharashtra, Odisha, Punjab, Puducherry, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttarakhand and Uttar Pradesh have adopted PRIASoft while five States namely Gujarat, Karnataka, Kerala, Madhya Pradesh and West Bengal have not adopted PRIASoft,

since they have their own State-specific accounting Applications. During evidence, the Secretary, MoPR explained that on accountability, several initiatives have been taken like New Plan Plus where every project will be monitored and available for public scrutiny and as an accountability tool, all the Gram Panchayats have been directed to clearly specify the various details regarding their allocations. The Committee further recommend the Ministry to strictly monitor the implementation of the projects and also ensure accountability.

#### Reply of the Government

Being the nodal Ministry for implementation of e-Panchayat, MoPR intends to actively monitor the implementation of the project. A National Project Management Unit for e-Panchayat is operational at MoPR for this purpose. Regular meeting, workshops, VC sessions and visits of officials to States/UTs are undertaken to review the progress under the project.

The planning software (PlanPlus) has been revamped to enable generation of Gram Panchayat Development Plans (GPDP). It has also been ensured that the requirements of Fourteenth Finance Commission are incorporated in PRIASoft (panchayat accounting application). A nation-wide project for mapping of all Panchayat assets is also underway. Efforts are also underway to integrate these applications with the corresponding State-level applications in States which have their own State-specific application for this purpose. Trainings to the States is being provided on all software applications and the progress in the adoption of these applications is being regularly monitored by the Ministry and State Governments.

MoPR is also continuously engaging with the State Governments to align the rollout of e-Panchayat with the implementation under BharatNet project of Department of Telecommunications, wherein high-speed broadband connectivity is being provided to Gram Panchayats.

[O.M. No. H-11013/9/2016- Parliament, Dated: 12.09.2016]

#### **CHAPTER III**

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

-NIL-

#### **CHAPTER IV**

## RECOMMENDATIONS IN RESPECT OF WHICH REPLY OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Sl. No. 3, Para No. 2.4, 2.5, 2.6, 2.7)

The examination of Demands for Grants (2016-17) of Ministry of Panchayati Raj has revealed that out of the total of Rs. 750 crore of Plan expenditure, Rs. 655 crores have been proposed for Capacity Building: Panchayat Sashaktikaran Abhiyan and remaining funds have been proposed for smaller schemes viz Incentivization of Panchayats (Rs. 38 crore), Mission Mode Project on e-Panchayats (Rs. 22 crores), Action Research (Rs. 15 crore), ATM Services in Panchayats (Rs. 10 crore), Media & Publicity (Rs. 8 crore). The scheme-wise analysis is in succeeding paragraphs.

#### I. <u>Capacity Building</u>: Panchayat Sashaktikaran Abhiyan (erstwhile RGPSA)

The Committee note that centrally sponsored scheme of Rajeev Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) that was launched during the 12th Five Year Plan period to strengthen the Panchayati Raj system across the country by way of providing funds on the basis of Annual Plans of the States as approved by Central Executive Committee (CEC) of RGPSA with funding pattern of 75:25 between Central and State Governments except for North-East where it is 90:10. The Committee find that from 2015-16 the funds were received under Central Component only with 100 percent central funding. The Committee also note that from 2015-16 the programme was renamed as 'Capacity Building: Panchayat Sashaktikaran Abhiyan' and underwent a policy change in the context of huge devolution of funds to Gram Panchayats as per the recommendations of FFC Grants and State Component of the scheme was to be met from their own resources. Various Issues concerning the scheme have been discussed as under:-

#### (i) Financial Performance

The Committee's examination of financial performance of RGPSA has revealed large gaps between fund sanctioned viz-a-viz fund released during 2012-13 to 2015-16 and large number of unspent balances are also figuring in during 2015-16. For instance during 2013-14, 2014-15 and 2015-16 the funds sanctioned were Rs. 1,576 crore, Rs. 2058.39 crore and Rs. 589.56 crore, whereas the funds released were as low as Rs. 560.59 crore, Rs. 481.39 crore and 103.8 crore respectively. In this connection, the issue of large amount of funds sanctioned viz-a-viz funds released during 2013-14 to 2015-16 in respect of Bihar also came up before the Committee, the MoPR Clarified that in Bihar there is requirement based on demand and in real terms the State started spending in 2014-15.

The reason for gap between funds sanctioned and funds released during 2013-14 has been the time taken by States to develop Perspective Plans involving multi-dimensional activities, seeking clearances from competent authorities, availability of land etc. Whereas for 2014-15 the Ministry of Panchayati Raj has explained that it indicated both the carry-over activities of the previous years as also the new activities sanctioned thus the total amount sanctioned appear to be high. Besides, the MoPR had also stated that releases were affected by delay on account of Parliament Elections, delay in internal clearances etc. with the result States were unable to claim the second installment resulting in substantial cut in RE stage. In view of the foregoing the Committee feel that the MoPR should pursue the concerned State Governments to take up this issue so that the funds sanctioned under earlier RGSPA may be utilized by concerned States on their own resources.

#### **Reply of the Government**

As informed to the Committee, the budgetary provision for the scheme of RGPSA was reduced to Rs. 60 crore with the State component of the scheme being delinked. In the wake of this development, the Ministry wrote to State Governments to complete the critical and unfinished activities sanctioned during the previous year from the State budget. State Governments have since continued with certain pending works like panchayat bhavans utilising own resources or by converging with MGNREGS funds.

Subsequently, on receipt of the supplementary grants for meeting the committed liabilities and training related activities particularly GPDP training, the States were exhorted to send their proposal by reprioritising their activities covering the above activities. During the year 2015-16 funds to the tune of Rs. 168 crore were released to 21 States / UTs under the scheme. Total expenditure under the scheme was Rs 184.40 Cr (including expenditure for central activities) against the revised allocation of Rs 191 Cr.

[O.M. No. H-11013/9/2016- Parliament, Dated: 12.09.2016]

#### **Comments of the Committee**

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

Recommendation (Sl. No. 4, Para No. 2.4, 2.5, 2.6, 2.7)

#### (ii) Challenges before MoPR

The Committee are constrained to note that various challenges like shortage of Panchayat Bhavans, lack of trained manpower, availability of computers etc. are being faced by MoPR.

#### (a) Shortage of Panchayat Bhavans

During the course of examination, the issue of large number of Gram Panchayats without Panchayat Bhavans came up before the Committee in a big way. In this connection, it also came out before the Committee that as many as 43,653 Gram Panchayats (GPs) are managing without Panchayat Bhavans out of which as large as 18,000 are alone in Uttar Pradesh. From the State-wise details, the Committee are constrained to note that in many States the situation is similar. For instance, in Punjab 7,776 GPs, in Maharashtra 4,363 GPs, in Haryana 2,516 GPs, in Bihar 2,182 GPs, in Himachal Pradesh 1,776 GPs, in Jammu & Kashmir 1,943 GPs, in Jharkhand 1,770 GPs and Uttarakhand 1,352 GPs do not have Panchayat Bhavan of their own.

In this connection, it came out before the Committee that MoPR is already seized of the issue and have termed it very crucial for smooth functioning of Panchayat for delivery of services to people. The MoPR has however, clarified that since providing infrastructure in Gram Panchayats is within the purview of States, it is upto the States to provide the Panchayat Bhavans in Gram Panchayats. The Ministry however, on its part has impressed upon the States from time to time for doing the needful. Further, the MoPR has also informed that construction of Gram Panchayat Bhavans has been notified as one of the permissible activities under MGNREGA and funds required for material for construction can be pooled form MGNREGA and in this regard the Ministry is pursuing with the Ministry of Rural Development, Department of Rural Development. The MoPR has also brought out before the Committee statistics showing sanction for construction and repairs of Panchayat Bhavans under RGPSA previously during 2013-14 and 2014-15. It also came out during the course of evidence of the representatives of MoPR that currently no funds are being provided for construction of Gram Panchayat Bhavans under RGPSA as has been done in the past. However, MGNREGA funds are available and MoPR is

trying to get the FFC Grants (2015-16) subject to concurrence of Ministry of Finance and have decided to monitor the construction of Gram Panchayat offices by using ten percent of Performance Grants that is basically on additional resources mobilised by Gram Panchayat in the previous year and for that formula will have to be set by State Governments for which the last date was 31st March, 2016 and many States have already done it. The Committee recommend that in view of large number of States running without Gram Panchayats Bhavans, MoPR should expeditiously work out a time table for construction of Gram Panchayat Bhavans in Gram Panchayats and necessary wherewithal and logistics are at least given to these States by using MGNREGA/FFC Funds.

#### Reply of the Government

The guidelines issued by Ministry of Finance No.13(32)FFC/FCD/2015-16 dated 8th October, 2015 for implementation of recommendation of Fourteenth Finance Commission(FFC) with regard to Local Bodies grant has stipulated on the purpose of Performance Grant as below:

"The Performance Grants are designed to serve the purpose of ensuring reliable audited accounts and data of receipts and expenditure and improvement in own revenues. This will enable initiation of action at the grassroots level for compilation of data so that all stakeholders have access to reliable information for decision making and at the same time, it will enhance accountability of the local self-government institutions to the public."

As the Ministry of Finance (MoF) guidelines prescribe that the FFC (basic and performance) grants are meant to be used towards ensuring basic services such as water supply, sanitation including septic management, sewage and solid management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths, street-lighting, burial and cremation grounds and any other basic services within the functions assigned to the Gram Panchayats under relevant legislations, it is implied that expenditure towards construction of Panchayat Bhawans cannot be incurred from the FFC Grants released to the Local Bodies.

[O.M. No. H-11013/9/2016- Parliament, Dated: 12.09.2016]

#### **Comments of the Committee**

(Please see Paragraph No. 15 of Chapter I of the Report)

#### **CHAPTER V**

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

#### Recommendation (Serial No. 2, Para No. 2.3)

The Committee are dismayed over the way the budget requirements of Ministry of Panchayati Raj during 2015-16 have been managed. In this connection, it came out before the Committee that despite the proposed allocation of Rs. 10,150 crore for 2015-16, the State Component of RGPSA was delinked from Central Support on account of increased transfer of funds from Central pool to States and as a result Rs. 60 crore were provided to MoPR for RGPSA for Central Component in view of huge FFC Grants to Panchayats. In this connection, the Committee have been informed that however, it was soon realized that training requirements of the level of local Self Government has actually increased manifold on account of the roll out of the FFC award and ensuring initiatives for convergence local planning at Gram Panchayat level, an additional amount of Rs. 300 crore was provided (in August, 2015) in the first batch of Supplementary Grants with an assurance to consider providing an additional Rs. 300 crore in the next supplementary grants to actual requirement. Accordingly sanctions were issued to the tune of Rs. 584.86 crore for proposals of 23 States/UTs primarily for training requirements for Gram Panchayat Development Plan (GPDP) and for building institutional capacity building for training. However, the Budgetary provision was originally curtailed to Rs. 144 crore at RE stage in December, 2015 and then on reconsideration to Rs. 191 crore in February, 2016 and upto March Rs. 147 crore has been released.

In view of the above, the Committee strongly deprecate the manner in which entire issue of availability of funds for Panchayats was handled in the light of roll out of FFC Grants. The Committee feel that issue of training of large number of trainees involved under Gram Panchayat Development Plans and setting up institutional set up for training requirement should have been done well before the roll out of FFC Grants leaving no room for approaching for Supplementary Grants. The Committee hold the Ministry of Finance equally responsible for not handling the issue properly. The Committee also feel that there is no coordination between MoPR and Ministry of Finance in allocation vis-a-vis the release of funds during 2015-16. The Committee would also like to know the comments of Ministry of Finance in this regard before arriving at a logical conclusion.

#### **Reply of the Government**

As stated, during 2015-16 the State component of the RGPSA was delinked from central support and only fund of Rs. 60 crore was available under the central component. Due to this sudden cut, the activities sanctioned during previous years under the scheme could not be taken forward. Although the Ministry had advised States to take up the committed critical activities from State resources, many activities did not resume. The Ministry also impressed upon the States through consultations at the highest level in the State, about the need for Capacity Building & Training of stakeholders of Panchayats/GPDP in the context of massive devolution of funds under FFC award, and for State level guidelines for the development and implementation of Gram Panchayat Development Plans (GPDPs) through a process of planning at grassroots level. This Ministry undertook a range of activities to help States in expeditious formulation of GPDP guidelines so as to operationalize the GPDPs for expending the FFC award. As a result of the initiative taken by the Ministry, all Part IX States have finalized and issued their GPDP guidelines. The Capacity building plans of the States were sanctioned on the basis of the institutional support structures and the capacity building strategies developed by the States for GPDPs. It was in this backdrop that the total number of trainings sanctioned during 2015-16 rose to 28 lakh against 17 lakh of the previous year.

With regard to comments of Ministry of Finance on the fluctuation in allocation of funds in respect of the Ministry particularly for the scheme of RGPSA, the observations of Committee have been sent to the Ministry of Finance for their comments. Their reply is awaited.

[O.M. No. H-11013/9/2016- Parliament, Dated: 12.09.2016]

#### Recommendation (Sl. No. 7, Para No.2.12)

The Committee appreciate that for nursing progressive Panchayats as to become model Panchayats, MoPR has decided that 50 Gram Panchayats and 18 Block Panchayats are proposed to be developed as beacon Panchayats at National level from among the Panchayats who have demonstrated good work in providing basic services. The Committee find that 4 beacon Panchayats in Uttar Pradesh and 3 each in Madhya Pradesh, Bihar and West Bengal and in other States at varying degree are to be identified. The Committee have been informed that expert team has been constituted for field visits for the best practices and recommendation regarding the beacon Panchayat at National level. The Committee feel that this is most progressive move and be accomplished expeditiously.

#### Reply of the Government

The matter regarding development of beacon Panchayats had been discussed in the last two Secretaries' Conference and States were requested to send nominations for Beacon Panchayats alongwith documentary details in support of their being beacon in different themes. In response to this 12 States had sent the nominations.

In the context of launch of a new scheme of Rashtriya Gram Swaraj Abhiyan (RGSA) through restructuring of the scheme of RGPSA, the matter regarding development of beacon Panchayats have also been reconsidered and it is proposed to increase the number of model panchayats to 2000. It is proposed to provide handholding support for 3 to 5 years to such panchayats for becoming Immersion sites for learning by other panchayats in the block/district. States have been addressed for identification of panchayats.

[O.M. No. H-11013/9/2016- Parliament, Dated: 12.09.2016]

#### Recommendation (Sl. No. 10, Para No. 2.15)

The Committee are constrained to note that an amount of Rs. 10 crore has been proposed for setting up of ATMs in Panchayat Bhavans without finalizing the contours of the scheme with the Department of Financial Services and for which the discussion with the other Stakeholders are currently at planning stage only. In the light of utility of ATMs in Panchayat Bhavans for the use of the rural poor, the Committee feel that MoPR should move faster on this scheme by early finalization of the contours of the scheme and holding necessary discussions with Stakeholders so that ATMs are set up in Gram Panchayat Bhavans.

#### Reply of the Government

Ministry held two brainstorming sessions with the officials of Department of Posts, Department of Financial Services, Department of Electronics and Information Technology, NITI Aayog, Ministry of Rural Development and India Banks' Association on this subject to determine the contours of the scheme. The modalities are being finalised.

[O.M. No. H-11013/9/2016- Parliament, Dated: 12.09.2016]

NEW DELHI; 14 December, 2016 23 Agrahayana, 1938 (Saka) DR. P. VENUGOPAL

Chairperson,
Standing Committee on Rural Development

#### **COMMITTEE ON RURAL DEVELOPMENT (2016-2017)**

## MINUTES OF THE THIRD SITTING OF THE COMMITTEE HELD ON FRIDAY, THE 09 DECEMBER, 2016

The Committee sat from 1015 hrs. to 1030 hrs. in Committee Room 'E', Basement Floor, Parliament House Annexe, New Delhi.

Shri Prahlad Singh Patel - Chairperson

#### **MEMBERS**

#### **LOK SABHA**

- 2. Shri Harishchandra Deoram Chavan
- 3. Shri Sanjay Dhotre
- 4. Shri Ajay Mishra (Teni)
- 5. Dr. Ramesh Pokhriyal "Nishank"
- 6. Shri Gokaraju Ganga Raju
- 7. Shri Jugal Kishore Sharma
- 8. Dr. Yashwant Singh
- 9. Shri Ladu Kishore Swain
- 10. Shri Chintaman Wanaga

#### **RAJYA SABHA**

- 11. Shri Shamsher Singh Dullo
- 12. Shri Mahendra Singh Mahra
- 13. Shri Narayan Lal Panchariya
- 14. Shri Shiv Pratap Shukla
- 15. Shri Rewati Raman Singh
- 16. Shri Devender Goud T.

#### **SECRETARIAT**

- 1. Shri Abhijit Kumar Joint Secretary
- 2. Shri S. Chatterjee Director
- 3. Smt. B. Visala Additional Director
- 2. At the outset, in the absence of Chairperson, the Committee under Rule 258 (3) of the Rules of Procedure and Conduct of Business in Lok Sabha chose Shri Prahlad Singh Patel, MP to act as Chairperson for

the sitting. Thereafter, the Chairperson welcomed the Members to the sitting of the Committee convened for consideration of four Draft Reports of the Committee on action taken by the Government on the recommendations contained on Demands for Grants (2016-17) in respect of XXX XXX XXX, XXX XXX XXX XXX XXX XXX and Ministry of Panchayati Raj:

- 3. The Committee then took up for consideration the following Draft Reports:-
  - (i) XXX XXX XXX XXX
  - (ii) XXX XXX XXX XXX
  - (iii) XXX XXX XXX XXX
  - (iv) Draft Report on Action taken by the Government on the recommendations contained in the Twenty-fourth Report on Demands for Grants (2016-17) of the Ministry of Panchayati Raj;
- 4. Draft Reports were taken up for consideration one-by-one and after discussions, the Committee adopted the Draft Reports at SI. Nos. (i), (ii), (iii) and (iv). The Committee then authorized the Chairperson to finalize the aforesaid Draft Reports and present the same to the Parliament.

The Committee then adjourned.

XXX Not related with the Draft Report.

#### **APPENDIX - II**

#### [Vide Introduction of Report]

# ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TWENTY-FOURTH REPORT (16<sup>TH</sup> LOK SABHA) OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT

l.	Total number of recommendations:	12
II.	Recommendations that have been accepted by the Government : Serial Nos. 1, 5, 6, 8, 9, 11 and 12	
	Total: Percentage:	07 58.33%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies : Serial No. Nil	
	Total: Percentage:	00 0%
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee : Serial Nos. 3 and 4.	
	Total: Percentage:	02 16.67%
V.	Recommendations in respect of which final replies of the Government are still awaited : Serial Nos. 2, 7 and 10	
	Total: Percentage:	03 25%