

**STANDING COMMITTEE ON RURAL DEVELOPMENT AND PANCHAYATI RAJ
(2021-22)**

24

SEVENTEENTH LOK SABHA

MINISTRY OF PANCHAYATI RAJ

**DEMANDS FOR GRANTS
(2022-23)**

TWENTY- FOURTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

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STANDING COMMITTEE ON RURAL DEVELOPMENT AND
PANCHAYATI RAJ (2021-22)

(SEVENTEENTH LOK SABHA)

MINISTRY OF PANCHAYATI RAJ

DEMANDS FOR GRANTS
(2022-23)

Presented to Lok Sabha on 16.03.2022

Laid in Rajya Sabha on 16.03.2022



LOK SABHA SECRETARIAT

NEW DELHI

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COMPOSITION OF THE STANDING COMMITTEE ON RURAL DEVELOPMENT & PANCHAYATI RAJ (2021-2022)

Shri Prataprao Jadhav -- **Chairperson**

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3. Shri C. N. Annadurai
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SECRETARIAT

- | | | |
|-------------------------|---|-------------------|
| 1. Shri D. R. Shekhar | - | Joint Secretary |
| 2. Shri A.K. Shah | - | Director |
| 3. Shri Nishant Mehra | - | Deputy Secretary |
| 4. Shri Arjun Choudhary | - | Committee Officer |

INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development & Panchayati Raj (2021-2022) having been authorised by the Committee to submit the Report on their behalf, present the Twenty-Fourth Report on Demands for Grants (2022-23) 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 22 February, 2022.
4. The Report was considered and adopted by the Committee at their sitting held on 14 March, 2022.
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;
14 March, 2022
23 Phalguna, 1943 (Saka)

PRATAPRAO JADHAV
Chairperson,
Standing Committee on Rural Development & Panchayati
Raj

“Future of India lies in its villages- Mahatma Gandhi”**PART I****NARRATION ANALYSIS****Chapter-1 Introduction**

1.1 Constitution of India envisages making Panchayats and their elected representatives the fulcrum of rural transformation, with centrality of Panchayats not only in all government schemes/programmes, but powerful agents of social and economic change. Gram Panchayats, the grass-root centres for mobilising and motivating people are uniquely poised to be the engines of rural development. Development of rural areas has a direct bearing on generation of economic activities, availability of natural and financial resources, and improvement of service delivery—thereby paving the way for improved quality of life and ease of living for the rural population. With the Gram Panchayats being directly responsible and accountable for implementation of Schemes/ Programmes, spanning 29 sectors across 18 Departments, the quality of implementation and decisions directly impacts not only the voters, but the elected Sarpanches and Ward Members themselves.

1.2 The Ministry of Panchayati Raj (MoPR) was created on 27th May 2004 with the primary objective of overseeing the implementation of Part IX of the Constitution, implementation of Panchayats (Extension to the Scheduled Areas) Act, 1996 (PESA) in the Fifth Schedule areas and operationalizing District Planning Committees in terms of Article 243ZD of Part IX-A of the Constitution. Since most of the actions including framing of laws rests with the State Governments, the Ministry strives to reach its goals with regard to improvements in the functioning of Panchayats primarily through policy interventions, advocacy, capacity building, persuasion and financial support. Accordingly, the aim of the Ministry is to make Panchayati Raj Institutions (PRIs) an effective, efficient and transparent vehicle for local governance, social change and public service delivery mechanism meeting the aspirations of rural local population.

1.3 The Ministry of Panchayati Raj strives to strengthen the Panchayati Raj system, ensuring inclusive development and decentralized administration by positioning the Ward Members (Panchs), whose number is almost 25 lakhs and whose potential is currently untapped as “agents of change” in promoting and realizing the multi-pronged rural development approach of the government.

1.4 Since “Local Government” is a subject in the State List of the Constitution, MoPR supplement and complements the efforts of State Government towards training and capacity building of the Panchayati Raj Institutions, which are directly set up through the respective State Panchayati Raj Acts. Towards this end, *Rashtriya Gram Swaraj Abhiyan (RGSA)* is being implemented and annual Gram Panchayat Development Plan (GPDP), one holistic plan for each Gram Panchayat, is formulated through participatory process by the Gram Panchayat (GP). This entails convergence of resources & programmes and approval of the same by the Gram Sabha. The Panchayat Development Plan has now been extended to all tiers i.e. at Block and District level for Block Development Plans and District Development Plans.

1.5 Capacity Building and Training (CB&T) of the large number of stakeholders such as Elected Representatives including Panchs/Ward Members, Functionaries etc. for the improvement in the functioning of Panchayati Raj Institutions is a complex task. Moreover, holistic planning for judicious use of the resources available at the Gram Panchayat level, especially a huge amount of Central Finance Commission grants has further enhanced the importance of CB&T. Accordingly, restructured Centrally Sponsored Scheme of *Rashtriya Gram Swaraj Abhiyan (RGSA)* has been approved by the Government of India with the focus on CB&T activities and being implemented by the Ministry of Panchayati Raj since 2018-19.

1.6 To encourage the Panchayats and its representatives for better performance, the scheme of the Incentivization of Panchayats is implemented by the Ministry as a Central Component of RGSA. Moreover, to transform the functioning of Panchayati Raj Institutions (PRIs), making them more transparent, accountable and to address various aspects of functioning of Panchayats such as planning, budgeting, implementation, accounting, monitoring, social audit and delivery of citizen services

like issue of certificates, licenses, etc. Mission Mode Project on e-Panchayat is also being implemented as a Central Component of RGSA. The Central Sector scheme of Action Research & Publicity aims to disseminate various information among Panchayati Raj Institutions (PRIs) to take up studies on subjects relevant to PRIs are also implemented by the Ministry.

1.7 Ministry of Panchayati Raj is implementing e-Panchayat Mission Mode Projects (MMP) under the Digital India programme of Government of India. In addition to the above, the Ministry has also been assigned a crucial role regarding Digitization of Gram Panchayat. Ministry entered into MOU with CSC governance services Ltd to digitalize 2.5 lack gram panchayat all across the country.

1.8 SVAMITVA (*Survey of Villages and Mapping with Improvised Technology in Village Areas*) is a *Central Sector Scheme* launched by Hon'ble Prime Minister on 24th April 2020, the National Panchayati Raj Day. The scheme aims to provide the 'record of rights' to village household owners possessing houses in inhabited rural areas in villages and issuance of property cards to the property owners.

1.9 Article 280(3)(bb) of the Constitution of India stipulates that the Central Finance Commission shall make recommendations to the President regarding measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats in the State. In this regard, Ministry has been considered as a nodal Ministry. In pursuance of this provision, Ministry has recommended successive Central Finance Commissions for enhanced financial devolution for Panchayats.

I. Overall Analysis

1.10 The Demands for Grants (2022-23), Demand No. 72 related to Ministry of Panchayati Raj laid on the table of Lok Sabha on 04.02.2022, makes a provision of 868.57 crore out of which 826.20 crore has been placed under Plan Scheme and 42.37 crore under Non Plan/Non Scheme earmarked for Secretariat Service. Under the Plan Scheme funds have been provided for implementation of the major scheme of Rashtriya Gram Swaraj Abhiyan (RGSA) and small schemes i.e. Incentivization of Panchayats, Mission Mode Project on E-Panchayats, Action Research & Publicity, besides the scheme on Survey of Villages and Mapping with Improvised Technology in Village Areas (SVAMITVA). This outlay is 4.91 per cent less than the previous year (2021-22) BE of Rs. 913.43 crore. The details of head-wise allocation for the financial year 2022-23 are as under:-

(Rs. in crore)

S.No	Name of the scheme	BE 2022-23
Plan Scheme		
1.	Rashtriya Gram Swaraj Abhiyan (RGSA)	593.00
2.	Incentivization of Panchayats	50.00
3.	Mission Mode project on E-Panchayats	20.00
4.	Action Research & Publicity	13.00
5.	International Co-operation	0.20
6.	Survey of Villages and Mapping with Improvised Technology in Village Areas (SVAMITVA)	150.00
Non-Plan		
7.	Secretariat Service	42.37
	Total	868.57

II. Outlay and Expenditure

1.11 The scheme wise financial performance during last three years i.e. 2019-20 to 2021-22 and BE 2022-23 is given below:-

(Rs. in crore)

S. N.	Name of the Scheme	2019-20			2020-21			2021-22			2022-23
		BE	RE	Actual Exp.	BE	RE	Actual Exp.	BE	RE	Exp. (05.01.22)	BE
Revenue Expenditure - Scheme											
1.	Rashtriya Gram SwarajAbhiyan	762.34	432.96	432.90	790.53	499.94	499.93	593.00	618.00	518.10	593.00
2.	Incentivization of Panchayats	44.00	25.00	25.00	47.00	47.00	49.68	48.00	52.51	47.72	50.00
3.	Mission Mode Project on E-Panchayats	15.50	7.50	7.25	20.00	17.82	17.79	20.00	11.71	11.22	20.00
4.	Media & Publicity	15.00	5.00	5.25	8.00	10.22	7.50	15.00@	8.02@	4.74@	13.00@
5.	Action Research & Research Studies	3.00	0.91	0.91	2.00	2.00	2.00	@	@	@	@
6.	International Co-operation	0.20	0.15	0.14	0.20	0.16	0.16	0.20	0.17	0.17	0.20
7.	SVAMITVA	0.00	0.00	0.00	0.00	79.65	79.65	200.00	140.00	105.53	150.00
	Total of Scheme	840.04	471.52	471.45	867.73	656.79	656.71	876.20	830.41	687.45	826.20
Revenue Expenditure: Other (Non Plan/ Non Scheme)											
8.	Secretariat Service	31.33	28.48	26.81	33.21	33.21	30.36	37.23	37.97	26.16	42.37
	Grant Total	871.37	500.00	498.26	900.94	690.00	687.07	913.43	868.38	713.61	868.57

@With effect from 2021-22, the Schemes of Media & Publicity and Action Research & Research Publicity have been merged into one scheme as Action Research and Publicity.

1.12 When asked about the reasons for variation in BE/RE and actual expenditure for the years 2019-2020, 2020-2021 and 2021-2022 year-wise, Ministry has stated in its written reply that:

“The budgets at RE stage were reduced from Rs.871.37 crore to Rs.500 crore during 2019-20 and from Rs.900.94 crore to Rs.690 crore in 2020-21 mainly due to budgetary cut of the only major scheme of the Ministry i.e. Rashtriya Gram Swaraj Abhiyan (RGSA). During 2021-22 Ministry’s Budget was reduced at RE stage from Rs.913.43 crore to Rs.868.38 crore mainly due reduced allocation under the Central Sector Scheme of SVAMITVA. However, expenditures during these years have been around 100% of the RE allocation. During 2021-22, an amount of Rs.713.61 crore has been spent up to 05.01.2022 against the RE allocation of Rs.868.38 crore, which is around 82% of RE allocation and expected that 100% expenditure will be incurred as around three months are left in the financial year with only 18% of the RE allocation is unspent”.

III. Financial Performance

The Statements shows the Budget Estimates (BE)/Revised Estimates (RE) and actual expenditure along with amount surrendered from 2018-19 onwards along with the BE for the year 2022-23:

(In crores)					
Sl. No.	Year	BE	RE	Actual Expenditure	Amount surrendered w.r.t BE
1.	2018-19	825.17	716.26	686.18	138.99
2.	2019-20	871.37	500.00	498.26	373.11
3.	2020-21	900.94	690.00	687.07	214.69
4.	2021-22	913.43	868.38	713.61 (as on 05.01.2022)	----
5.	2022-23	868.57	---	---	---

1.13 When asked about the reasons for constant gap in budget at BE and RE stage for the last three years, Ministry in its written reply has stated that:

“Despite higher allocation sought by the Ministry at RE stage, Ministry of Finance imposed drastic cut and allocated the reduced funds to the Ministry at RE stage during the last three years”.

1.14 When asked to specify the reasons for surrendered amount with respect to the budget estimates for 2018-19, 2019-20 and 2020-21, Ministry in its written reply has stated that:

“The major reason for surrendered amount with respect to the budget estimates for 2018-19, 2019-20 and 2020-21 is the budgetary cut imposed by Ministry of Finance at RE stage”.

1.15 Secretary, Ministry of Panchayati Raj, has echoed the same views during the course of oral evidence:-

“मुझे स्मरण है और मैंने ही समिति के सामने बताया था कि बगैर हम लोगों से पूछे हमारा दिसम्बर तक का जो एक्सपेंडिचर फिगर था, 498.26 करोड़ रुपये हमारा एक्सपेंडिचर हुआ, वह हम लोगों ने दिसम्बर तक ही उसी वर्ष पूरा कर लिया था लेकिन उन्होंने बगैर मंत्रालय से पूछे सीधे कटौती की थी। पंचायती राज मंत्रालय का ही नहीं, बल्कि और भी मंत्रालयों का किया था, जो 500 करोड़ रुपये कर दिया था और वह सबसे शार्प कट था”।

1.16 When asked about whether the Ministry was capable of funding the requirements at reduced RE Budget levels or faced constraints/difficulty in covering all the aspects under their domain, Ministry in its written reply has stated that:

“No, The shortfall owing to reduction of budget at RE stage to be covered in the year 2022-23 by demanding higher allocation at RE stage or may resort to alternative arrangement for major activities like conduct of virtual training to adjust the budget constraint, if warranted”.

1.17 When asked about what policy initiative the Ministry proposes to take to arrest huge gap between expenditure proposed at RE stages and actual expenditure, Ministry in its written reply has informed that:

“The Ministry has initiated action to approve the Annual Action Plan (AAP) of concerned States/UTs, under RGSA, at the earliest for ensuing financial year and also expedited the release to the concerned States/UTs as per their approved AAP. The pace of expenditure is also being kept in consonance with the approved Monthly Expenditure Plan (MEP)/ Quarterly Expenditure Plan (QEP) to avoid any reduction of budget allocation by Ministry of Finance at RE stage. It is pertinent to mention that during current FY 2021-22, 100% of QEP has been achieved up to 2nd quarter”.

1.18 When asked about the Output report of the various schemes and how much has been the measurable Outcome, Ministry in its written reply has stated that:

“Yes, the Ministry compiles the measurable Output and Outcome of the various schemes based on the advice of Output-Outcome Monitoring Framework (OOMF) of the NITI Aayog and uploads it on the designated dashboard of the Aayog. As per the latest year 2020-21 for which the measurable outcomes for the whole year is available, the measurable outcome of the major scheme like RGSA is satisfactory. Against a target of capacity building & training of 9 lakh Elected

Representatives and Functionaries of the PRIs 33.34 lakh participants were imparted training. Similarly, against the target of construction and making functional of 500 Panchayat Bhawans 851 Panchayat Bhawans attended completion and made functional. For the outcome indicator of uploading of Gram Panchayat Development Plan (GPDP) in the dedicated portal, 2.56 lakh GPDP were uploaded against the target of 2.45 lakh”.

Chapter-2

Rashtriya Gram Swaraj Abhiyan (RGSA)

The restructured Centrally Sponsored Scheme (CSS) of Rashtriya Gram Swaraj Abhiyan (RGSA) is being implemented w.e.f. 2018-19 with the primary aim of strengthening PRIs for achieving Sustainable Development Goals (SDGs) with main thrust on convergence with Mission Antyodaya and emphasis on strengthening PRIs in the 117 Aspirational districts. The Scheme launched by the Government on 24.04.2018 on the occasion of National Panchayati Raj Day (NPRD) has been approved for implementation from 01.04.2018 to 31.03.2022 with total budget outlay of Rs.7255.50 crore out of which State share is Rs.2755.50 crore and the Central share is Rs.4500.00 crore. The scheme extends to all States and UTs including Part IX areas comprising about 2.69 lakh Gram Panchayats and Institutions of Rural Local Government in non Part IX areas where Panchayats does not exist. The sharing pattern for the State component is in the ratio of 60:40 except NE, Hilly States and Union Territory of J&K where Central and State sharing is in the ratio of 90:10. For all other UTs, Central share is 100%. The funds under RGSA are released to the States/UTs primarily for Capacity Building & Training (CB&T) of Elected Representatives (ERs), Functionaries and other Stakeholders of the Panchayats. Funds are also provided for other admissible activities relating to strengthening of Panchayats as approved under Annual Action Plan (AAP) of the States/UTs under the scheme.

2.2 The scheme consists of Central and State Components. The Central component comprises (i) National level activities viz. National Plan for Technical Assistance (NPTA) including setting-up of National Project Management Unit (NPMU), collaboration with academic institutions/ institutions of excellence including NIRD&PR, Hyderabad for various activities of Capacity Building & Training (CB&T) for PRIs (ii) Mission Mode Project (MMP) on e-Panchayat and (iii) Incentivization of Panchayats. The State component relates to activities to be undertaken by State Governments for CB&T and other activities for strengthening of Panchayats viz. Capacity Building & Training, training infrastructure and HR support for training, Strengthening of Gram Sabhas in PESA areas, Distance Learning Facility via SATCOM, Support for Innovations, Technical support to PRIs, Financial Data and

Analysis Cell, Panchayat Buildings, e-enablement of Panchayats, Project based funding for economic development and income enhancement, IEC and PMU.

Objectives of RGSA:

- Develop governance capabilities of PRIs to deliver on the SDGs
- Enhancing capacities and effectiveness of Panchayats, Gram Sabha
- Enable democratic decision-making and accountability in Panchayat
- Strengthen institutional structure for knowledge creation
- Promote devolution of powers and responsibility to Panchayat

2.3 Secretary, Ministry of Panchayati Raj, during course of evidence has informed the Committee regarding Panchayat Statistics as under:

No. of Gram Panchayats	:	2,55,751
No. of Block Panchayats	:	6,829
No. of District Panchayats	:	659
No. of Elected members of PRIs	:	31.47 lakh
No. of Elected Women Representatives	:	14.54 lakh (46%)

2.4 When asked about the steps that have been taken for supplementing and complementing the efforts of State Government towards training and capacity building of the elected representatives, in its written reply, Ministry has stated that:

“The scheme of RGSA is being implemented for strengthening of Panchayats, which endeavours for graduated capacity building of Elected Representatives (ERs), Panchayat Functionaries and other stakeholders. Special emphasis is being given on digital literacy of ERs and also on mobilizing, educating and transforming ward members or Panches into sectoral resource persons with a clear role to transform them into agents of change. The outcome of the Scheme will be enhanced capabilities of Panchayats for good governance and attainment of SDGs through participatory local planning, democratic decision-making, transparency and accountability. Around 1.10 crore ERs, Panchayat Functionaries and other stakeholders have been trained from 2018-19 to 2020-21. As part of capacity building and training, the scheme has provisioned for the exposure visits of ERs. During 2018-19 to 2020-21 around 37,845 ERs have undertaken exposure visits”.

2.5 When asked about the details of the number of Panchayats which have attained sustainable development goals and transformed themselves into self

sufficient bodies, Ministry in a written reply has stated that:

“This Ministry has not been made as a nodal Ministry for any specific sustainable development goals (SDGs). However, Ministry has been facilitating the efforts in direction of attainment of SDGs through graduated capacity building of Elected Representatives (ERs), Functionaries and other stakeholders of Panchayats”.

2.6 When asked about that how does the Ministry envisage achieving the primary aim of strengthening PRIs in achieving sustainable development Goals (SDGs) with main thrust on convergence with Antyodya Scheme by 31.03.2022 as envisioned by the Hon'ble Prime Minister of India and tentative action plan to achieve the target , Ministry in a written reply has stated that:

“The Ministry will continue to provide programmatic support for strengthening of Panchayati Raj Institutions (PRIs) and finding solutions for local governance as well as outreach, namely:

- (i) The RGSA to evolve as a sophisticated, customized resource for graduated CB&T for all the stakeholders, including those belonging to Panchayats in poor and backward regions of the country.
- (ii) Capacity building of PRIs following phased saturation approach with focus on newly elected representatives and functionaries of PRIs with priority on Mission Antyodaya GPs and 117 Aspirational Districts identified by NITI Aayog.
- (iii) Orientation training of newly elected PRI Elected Representatives (ERs) within 6 months of their election, followed by refresher courses within two years.
- (iv) To mobilise, educate and transform Ward Members or Panchs into Sectoral Resource Persons with a clear role and thus greater influence to transform them into agents of change.
- (v) Partnership and networking with institutions of excellence/ Universities/ Colleges, for preparation of quality training modules and developing pool of Master Trainers for PRIs from academics/faculties.
- (vi) Support for strengthening institutional structure for training
- (vii) Scaling up of exposure visits for PRIs to promote learning through peer exchange and development of model panchayats as peer-learning sites.
- (viii) Focus on digital literacy of PRIs and their stakeholders
- (ix) SHG-PRI Convergence through joint training, need based training for formulation of Gram Panchayat Development Plans and their implementation.
- (x) Focus on Own Source Revenue Generation
- (xi) Notwithstanding to the fact that Ministry of Panchayati Raj has not been mapped as a nodal ministry for any specific SDG, it has been facilitating the efforts in direction of attainment of SDGs

through Panchayats. A detailed report has been prepared on the role of PRIs in localizing SDGs. Local Indicators Framework has been developed aligned with the National Indicators Framework for the monitoring of achievements under SDGs. The consultations with the Nodal Central Ministries and the States for the achievements of SDGs have been started to work on the way forward for convergence mechanisms, strategies, platforms and innovations to ensure that the development agenda is effectively translated into firm action and concrete results at the local level to benefit communities“.

2.7 When the Ministry was asked that “Why the budget estimates allocation has been reduced to 593.00 crore in 2021-22 and 2022-23 from 790.53 in 2020-21 for restructured RGSA?” Ministry has replied that:

“Ministry sought an allocation of Rs.894.03 crore under RGSA for 2021-22 (BE). However, Ministry of Finance allocated an amount of Rs.593 crore under the scheme of RGSA. The scheme of RGSA was approved for implementation from 01-04-2018 to 31.03.2022 and any allocation under the scheme beyond 31st March, 2022 is subject to approval of the scheme for the continuation. Hence, in-principle allocation of Rs.593 crore for BE 2022-23, same as the BE of 2021-22, has been made subject to the approval of the scheme by the Government and any change in allocation of the scheme will be on the basis of approval”.

2.8 When asked that “In the last financial year the BE was 593.00 crore and RE had to increased to 618.00 crore. In this background, whether the allocation of Rs. 593.00 crore sought would be sufficient to foot the expenditure to be incurred under the restructured scheme”, Ministry has replied that:

“The scheme of RGSA was approved for implementation from 01-04-2018 to 31.03.2022 and any allocation under the scheme beyond 31st March, 2022 is subject to approval of the scheme for the continuation. Hence, in-principle allocation of Rs.593 crore for BE 2022-23, same as the BE of 2021-22, has been made subject to the approval of the scheme by the Government and any change in allocation of the scheme will be on the basis of approval. The meeting of the Expenditure Finance Committee (EFC) to consider the proposal for the continuation of revamped RGSA was held on 18.01.2022”.

2.9 When asked about that the Ministry has been able to spend Rs. 518.10 crore out of the allocation of Rs. 618.00 crore at RE stage in 2021-22 under RGSA (as on 05.01.2022). How does the Ministry plan to utilize the balance funds in the period remaining?”, Ministry has replied that,

“During 2021-22, Rs.518.07 crore has been released up to 31.01.2022 and the remaining Rs.99.90 crore will be released to the States/UTs including NE States from whom requisite demands/documents are expected”.

The Status of Annual Action Plan (AAP) approved and funds released to the States/UTs during 2019-20 & 2020-21 and 2021-22 is as under:

(Rs. in crore)

Sl. No.	State/ UT	2019-20		2020-21		2021-22	
		AAP Approved	Fund Released	AAP Approved	Fund Released	AAP Approved	Fund Released
1	Andaman & Nicobar Island	1.69	0.00	1.25	0.00	2.26	0.00
2	Andhra Pradesh	183.84	0.00	203.49	22.34	497.13	38.54
3	Arunachal Pradesh	46.58	39.59	15.65	0.00	140.38	12.66
4	Assam	76.02	23.22	98.31	26.12	132.97	14.12
5	Bihar	76.24	0.00	105.71	0.00	268.90	63.77
6	Chhattisgarh	37.29	0.00	36.57	4.04	64.87	7.93
7	Dadra & Nagar Haveli	2.90	0.00	4.55	0.00	6.94	0.00
8	Daman & Diu	0.89	0.00				
9	Goa	3.71	0.00	3.72	0.00	5.50	0.59
10	Gujarat	55.09	0.00	20.24	0.00	55.07	0.00
11	Haryana	136.48	0.00	188.53	9.89	241.09	0.00
12	Himachal Pradesh	127.95	10.00	128.18	22.10	164.43	32.42
13	Jammu & Kashmir	197.21	6.19	173.48	25.00	281.10	40.00
14	Jharkhand	34.62	0.00	28.66	2.34	90.35	0.00
15	Karnataka	71.03	0.00	116.70	0.44	195.11	29.15
16	Kerala	52.81	0.00	44.34	8.13	52.86	6.72
17	Ladakh	-	-	8.59	2.15	8.60	0.00
18	Lakshadweep	0.00	0.00	1.14	0.00	0.00	0.00
19	Madhya Pradesh	229.84	85.48	320.81	71.42	355.89	47.11
20	Maharashtra	119.71	8.44	233.00	66.76	222.80	38.71
21	Manipur	15.51	4.54	7.70	3.41	13.25	2.98
22	Meghalaya	15.02	2.63	19.76	3.97	37.00	0.00
23	Mizoram	9.88	0.50	29.64	21.19	35.69	5.56
24	Nagaland	10.14	3.94	14.80	3.72	27.77	4.58
25	Odisha	28.55	0.00	21.49	2.94	30.00	1.33
26	Puducherry	4.01	0.00	4.67	0.00	11.57	0.00
27	Punjab	91.12	0.00	89.88	13.45	71.91	10.78
28	Rajasthan	83.31	0.00	103.04	12.98	144.52	17.27
29	Sikkim	11.80	5.10	15.79	4.75	16.83	0.00
30	Tamil Nadu	190.37	5.30	282.78	56.88	307.37	39.89
31	Telangana	279.52	0.00	242.87	12.00	272.34	0.00
32	Tripura	16.51	0.00	15.79	2.53	30.26	4.67
33	Uttar Pradesh	842.45	169.92	598.55	32.54	565.50	83.08
34	Uttarakhand	62.80	23.79	42.68	26.75	23.07	0.00
35	West Bengal	98.24	44.10	115.53	33.52	106.90	15.14
	Sub Total	3213.13	432.74	3337.87	491.34	4480.22	516.99
	other Implementing Agencies		0.16		8.59		1.07

Sl. No.	State/ UT	2019-20		2020-21		2021-22	
		AAP Approved	Fund Released	AAP Approved	Fund Released	AAP Approved	Fund Released
	Grand Total		432.90		499.93		518.06

2.10 When enquired about the reasons for non-release and shortfall in the release of funds to the number of States/UTs and no release in UTs under the Scheme during the last three years and no release in UTs, Ministry replied that:

“The scheme of RGSA is a demand driven in nature and the release of funds to the States/UTs remained dependent on the timely submission of Annual Action Plan by the States/UTs, liquidation of unspent balance, submission of requisite documents, State share etc. The short fall in releases and non-release of funds to the States/UTs is mainly on account of non-submission of requisite documents including UCs, Audited Statements, non-release of State Share and/or availability of unspent balance with States/UTs more than releasable amount and also non-compliance of MoF instructions regulating release of funds under CSS”.

2.11 Ministry was asked about the reasons attributed to sharp decline in the all India release figures against the AAP approved Plans consecutively for the last three years, it replied that:

“The scheme of RGSA is a Centrally Sponsored Scheme with laid down Central and State Share funding structure. Annual Action Plan (AAP) of States is approved by the Central Empowered Committee (CEC) based on recommendations of State Empowered Committee (SEC). For the release of Central Share against the approved AAP of the States/UTs, scheme mandates (i) Release of corresponding State Share; (ii) 60 percentage utilisation of the Central and State Shares release along with submission of Audited Statement of previous year. Release to States is made in two installments as per scheme provision (During 2021-22, the releases are made in four tranches as per MoF instructions). It has been seen that in large number of cases, there are delays by the States in release of State share and/or there is persisting deficit of state share. The delayed release compounds the delay in timely utilisation of the funds and results into delayed submission/non-submission of utilisation Certificate. It is also seen that many States/UTs have unspent balance of funds allocated from previous years. Further some states have also not complied to the MoF instructions regulating release of funds under CSS. These all have led to reduced releases of central share to the States”.

2.12 Secretary, MoPR has informed the Committee during course of evidence that they had requested the Ministry of Finance to make RGSA a Central Sector Scheme. However, Ministry of Finance has declined the request.

“हम लोग इसमें कुछ नहीं कर पाएंगे। हम लोगों ने वित्त मंत्रालय से अनुरोध किया था कि इसे सेंट्रल सैक्टर स्कीम बना दें। इसे उन्होंने स्वीकार नहीं किया। उन्होंने कहा की सेंट्रली स्पॉन्सर्ड स्कीम में ही 60-40 के फार्मूले पर चलेगा। अगर उसे मना कर दिया। सेंट्रल सैक्टर स्कीम में होता कि पूरी की पूरी धनराशि भारत सरकार रिलीज करती और उसके बाद उसमें स्टेट शेयर रिलीज नहीं होने या विलम्ब होने की सम्भावना घट जाती।”.

2.13 When asked about how the Ministry will be able to do justice with effective implementation of various schemes with BE of 868.57 crore and how does the Ministry plan to augment the utilization under the various heads holistically, Ministry has replied that:

“The following is the Roadmap for proper utilization of allocated funds under the scheme:

- Timely approval of AAPs for the year 2022-23, after the revamped scheme of RGSA is approved so as to provide ample time to States for implementation of approved activities.
- Sharing of checklist and providing handholding support to States for formulation of AAPs
- Regular interaction with States through VCs and telephonic calls for monitoring the progress and expediting the approved activities. Necessary advice/clarification as and when required is issued.
- Region/State-specific VCs also being undertaken.
- Constant monitoring of the progress of approved activities through MIS.
- Mandatory release of funds through PFMS till last level of Executing Agency. Integration of RGSA MIS with PFMS.
- New interventions for training of PRIs under the scheme. Realigning the strategy in the changed scenario with focus on promotion of distance learning mode as far as possible.
- Effectively taking up with the States for release their matching share, liquidate unspent balances and submit the requisite documents viz. UCs etc. for release of funds to the maximum extent.

Through the above multipronged approach, it is expected that allocated funds will be fully utilized.”

2.14 When asked about that the RGSA has an important component of construction of Panchayat Bhawans in all the Gram Panchayats but still, 50917 GPs are without the Panchayat Bhawans. Further, States are not able to construct the Gram Panchayat Bhawans even after approved plans and amount is not yet released; Ministry has outlined the following reason for this:

“Panchayat is a State subject and providing Panchayat Bhawans for Gram Panchayats (GPs) is primarily the responsibility of State Government/Union Territory (UT). The States are expected to mobilise

funds for construction of GP Bhawans from various sources viz. MGNREGA and other relevant schemes. However, Ministry of Panchayati Raj supplements the efforts of the States, through its scheme of Rashtriya Gram Swaraj Abhiyan (RGSA) on limited scale. As per information available, 220262 GPs/Traditional Bodies, out of 271179 GPs/Traditional Bodies having their own GP Bhawans and around 50917 GPs/Traditional Bodies are without GP Bhawans”.

2.15 When asked about the rationalization of number of Gram Panchayats on the basis of population, distance between villages and physical connectivity of road, Secretary, Ministry of Panchayati Raj during course of evidence has stated that:

“सर, यहाँ पर हमारा निवेदन है कि यह काम हम लोग नहीं कर सकते हैं। सर, हम गाइडलाइन भी नहीं दे सकते हैं। हमलोग उनसे केवल यह कह सकते हैं कि अगर आपको इनको प्रशासनिक एवं वित्तीय रूप सक्षम बनाना है तो अलग-अलग समितियों का यह अनुभव है, दूसरे राज्यों का यह अनुभव है। अगर वहाँ पर आबादी 10 हजार है तो उनको एक करोड़ रुपये से ज्यादा डेवोल्यूशन का फंड मिलता है, जिससे वे काम कर सकते हैं। हमारा यह कहना है कि ज्यादा पैसे मिलेंगे तो वहाँ पर ज्यादा विकास के काम होंगे और अच्छे ढंग से काम होंगे। लेकिन, ग्राउण्ड लेवल पर क्या काम होता है, वहाँ ग्रामों का जो ग्रुप है, उसमें ऐसा होता है कि ज्यादा आबादी होने की वजह से पैसा भी ज्यादा मिलता है। लेकिन, उन तीन गाँवों में से जिस गाँव का सरपंच होता है, वह सभी काम एक ही गाँव में करता है और दूसरे दो गाँव में देखता भी नहीं है। इन दोनों के बारे में भी हमें सोचने की जरूरत है।“

2.16 When asked about the number of stakeholders provided training under RGSA, reducing steadily from 2018-19, Ministry has outlined the following reason:

“The scheme of Rashtriya Gram Swaraj Abhiyan (RGSA) aims to enhance the capacity of Panchayats in all States/UTs so as to equip them for good governance at grass roots and ensure mass participation, efficient delivery of services, transparency and inclusive development. The scheme provides for Orientation training of newly Elected Representatives (ERs) of PRIs within 6 months of their election, followed by refresher courses within two years. In the context of COVID Pandemic, thrust has been made to adopt alternate approaches to Capacity Building & Training (CB&T) and to focus on online interventions to ensure that Capacity Building efforts are not derailed. During 2018-19, 4304651 Elected Representatives (ERs), Functionaries and other stakeholders received various and multiple training under RGSA, which came down to 3398194 in 2019-20, as BE allocation of RGSA of Rs.762.34 crore was reduced to Rs.432.96 crore at RE stage. Further, during 2020-21 due to COVID-19, trainings came down to 3328472. However, as per information provided by the States/UTs up to 21.02.2022, 2575636 ERs, Functionaries and other stakeholders received various and multiple training under RGSA during 2021-22. The Quarterly Progress Report (QPR) of 4th quarter, which will be due on 31.03.2022, will reflect the actual achievements during the year 2021-22”.

2.17 When asked about the challenges and constraints before Ministry of Panchayati Raj, requirement of funds and infrastructure available, need for augmentation of RGSA, Ministry has replied that:

“It is submitted that under the scheme of RGSA, Capacity Building & Training (CB&T) of various stakeholders of Panchayats is a complex task and it involves a range of stakeholders such as ERs, Panchayat functionaries including Panchayat Development Officers, Panchayat Secretaries, accountants, water pump operators etc., Departmental Officials that work with Panchayats, Gram Sabha or citizens, as well as people who impact Panchayats in various ways such as public representatives, experts, and media persons. The challenge is to reach out to this diverse group while ensuring high quality, context specific CB&T, which are essentially implemented by the States, mostly in their Institutes. This task involves institutional linkages among State institutes for various disciplines (Agriculture, Horticulture, forestry, skill development, engineering etc.) in realisation of the MoPR vision of training Ward Members as enablers of different sectors, making it ever more challenging. In addition to this, the Panchayats also suffer from lack of building for their Offices, HR support, e-enabling apparatus etc. Attempt is being made to address these issues through the ongoing scheme of RGSA with the funds available under the scheme”.

Chapter-3

Incentivization of Panchayats

Ministry of Panchayati Raj (MoPR) has been incentivizing best performing Panchayats/States/UTs since the year 2011 on the basis of developed evaluation criteria/parameters under the Incentivization of Panchayats Scheme (one of the central components of the restructured Rashtriya Gram Swaraj Abhiyan scheme) in recognition of their good work for improving delivery of services and public goods. This incentivization encourages awardees who make special efforts, creates models for others to follow, and creates an eco-system for overall good governance at the local level. The award money / incentives released to the States/UTs for the awardee Panchayats is to be utilized for public purposes especially livelihood support, assets creation, civic amenities creation & maintenance and bridging the gaps in the funds received from Union/State Governments for various projects.

3.2 Incentivization of Panchayats is fully funded (100%) by the Central Government. It aims to encourage competitive spirit among PRIs and States/UTs wherein awards including financial incentives are given to best performing Panchayats (District, Intermediate and Gram) and States/UTs in recognition of their good work for improving delivery of services and public goods. Background material point a (2)

3.3 Incentivization of Panchayats scheme became one of the central components of restructured Rashtriya Gram Swaraj Abhiyan (RGSA) scheme launched on 01.04.2018 and to be implemented till 31.03.2022 as duly approved by Cabinet Committee on Economic Affairs. The awards are given under the following categories:

- a. Nanaji Deshmukh Rashtriya Gaurav Gram Sabha Puraskar (NDRGGSP);
- b. Deen Dayal Upadhyay Panchayat Sashaktikaran Puraskar (DDUPSP)-
- c. Child-friendly Gram Panchayat Award (CFGPA):
- d. Gram Panchayat Development Plan Award (GPDPA):
- e. e-Panchayat Puraskar:

3.4 Committee have been informed by the Ministry of Panchayati Raj that

“Under the Incentivization of Panchayats scheme, during 2020 and 2021, awards were conferred to Panchayats/States/UTs 306 and

313 respectively. Number of awards conferred are based on the number of nominations received from the States/UTs and final selection by the Ministry”.

3.5 When asked about the number of Panchayats that have been identified for conferring award under the Incentivization of Panchayats Scheme in the Country this year and whether allocation under BE 2022-23 would be sufficient to meet the demand, Ministry in its written reply has stated that

“For the upcoming National Panchayat Awards 2022, 51,917 applications have been received from Panchayats (Gram Panchayat-50070, Block Panchayat-1538 and District Panchayat-309) in the online portal. Around 300 Panchayats are expected to be identified for National Panchayat Awards-2022 based on about 900 to 1000 nominations from the States out of the 51,917 Panchayats at various levels”.

3.6 Ministry was asked that Which States have been found to be least performing as compared to the parameters fixed for selection under Incentivization, for different category of awards and what steps have been taken to persuade those States to perform better, In its written reply, Ministry has stated that

“Keeping in view the level of participation by different tiers of Panchayats in the annual National Panchayat Awards competition as compared to the number of Panchayats in the respective States/UTs, among geographically smaller States/UTs, Puducherry, Meghalaya, Arunachal Pradesh and Nagaland are lagging behind the most and among bigger ones, Bihar, Andhra Pradesh, Madhya Pradesh and Uttar Pradesh are lagging behind the most vis-a-vis their total number of Panchayats. There is no component under the scheme to take such corrective measures to increase their competitiveness. However, under the Rashtriya Garm Swaraj Abhiyan (RGSA) scheme emphasis has been given to build their governance capacity to perform better in the socio-economic development and welfare of the rural people and delivery of services.”

3.7 When asked about the System of monitoring and control over the performance of Incentivization of Panchayats scheme, Ministry has replied that:

“The objective of the “Incentivization of Panchayats” Scheme is due recognition of Panchayats/States/UTs that perform their role well. The Scheme has an inbuilt monitoring mechanism which operates at different levels. Detailed Questionnaires for Awards have been developed by MoPR by utilizing various criteria/indicators to measure accountability system and transparent functioning of Panchayats. The nomination of Panchayats for awards is done by assessing and evaluating the information provided by the Panchayats on the basis of detailed marking scheme at various levels like Block Level Committee,

District Level Committee, State Panchayat Performance Appraisal Committee and State Field Verification Teams. The nominations from States/UTs are invited online to reduce the turnaround time in the overall process. Field verification of nominated Panchayats is also conducted by MoPR officials team and the team is to ensure realistic/objective and effective verification of nominations before finalizing the recommendations. A National Screening Committee for Panchayat Awards constituted in MoPR makes final selection of Panchayats for awards”.

3.8 When asked about the steps taken/ proposed to be taken and suggestions, if any, for improvement in the implementation of Incentivization of Scheme, Ministry has informed that:-

“Improvement and refinement of criteria for selection of best performing Panchayats and scheme as a whole is a continuous policy intervention adopted from time to time. Ministry is making conscious efforts to rationalize awards and evaluation/criteria for selecting best performing Panchayats. Over the period, following improvements/refinements have been made under the Incentivization of Panchayats scheme:

- Nine themes under the award category of DDUPSP were introduced for Gram Panchayats
- Two new awards, namely Gram Panchayat Development Plan Award (*for developing GPDPs in accordance with Ministry's/States/UTs guidelines*) and Child-friendly Gram Panchayat Award (*for adopting child-friendly practices*) were introduced for Gram Panchayats during the year 2018 and 2019, respectively.
- During the Award year 2020, the number of Awards under the category of Gram Panchayat Development Plan Award have been increased from 3 across the country to one in each State / UT with an award money of Rs.5.00 Lakhs for each awardee.
- During the Award year 2021, the biggest revamping was done by the Ministry through transferring the award money directly to the awardee Panchayats. The award money is an incentive grant meant for awardee Panchayats, who are Public Constitutional entities, and not for any individuals. the biggest revamping was done by the Ministry through transferring the award money directly to the awardee Panchayats which meant for awardee Panchayats, who are Public Constitutional entities, and not for any individuals.”

Chapter-4

Digitization of Gram Panchayats

e-Panchayat is one of the Mission Mode Project (MMP) under the Digital India programme of Govt. of India, which is currently being implemented with a vision to empower and transform rural India. The e-Governance project aims to transform the Panchayati Raj Institutions (PRIs) into symbols of modernity, transparency and efficiency making it one of a kind nationwide IT initiative introduced by the Ministry of Panchayati Raj (MoPR) that endeavours to ensure people's participation in programme decision making, implementation and delivery. The project aims to automate the functioning of nearly 2.55 lakh Panchayats. The e-Gram Swaraj and other applications developed under the e-Panchayat MMP have gone a long way to help the PRIs in functioning effectively and efficiently. These Applications cater to various aspects of Panchayat functioning viz. planning, budgeting, implementation, accounting, monitoring, social audit and delivery of citizen services like issue of certificates, licences etc.

4.2 e-Panchayat Mission Mode project is also a Central Component of restructured RGSA and fully funded (100%) by the Central Government. Under e-Panchayat Mission Mode Project funds are only released to National Informatics Center Services Inc. (NICS) for central level support for maintenance and training of e-GramSwaraj and other applications, faculty support and programme management. Funds are also released to NIRD&PR and SIRD for regional workshops on e-Panchayat applications. From 2018-19, e-Panchayat is a component under the flagship scheme – Rashtriya Gram Swaraj Abhiyan (RGSA).

4.3 The BE, RE and Actuals during 2018-19, 2019-20 and 2020-21 and BE (2021-22) under Mission Mode Projects on e-Panchayat are as under:

Rs. (in crore)

Year	BE	RE	Actuals
2018-19	20.00	11.91	10.07
2019-20	15.50	7.50	7.25
2020-21	20.00	17.82	17.79
2021-22	20.00	11.71	11.22 (as on 05.01.2022)

4.4 With a vision to usher in digital Panchayats to empower & transform rural India, e-Gram SWARAJ (<https://egramswaraj.gov.in/>), a unified tool for effective monitoring and evaluation of works taken up in the Panchayats was launched on National

Panchayati Raj Day, 24th April, 2020. The application improves reporting and tracking of Panchayat activities, providing a single interface for capturing Panchayat information. The application provides a single platform for all planning and accounting needs including various other aspects of Panchayat functioning (monitoring, asset management). Further, eGramSwaraj PFMS Integration (eGSPI) was achieved by enabling data sharing between eGramSwaraj, PFMS and Core Banking System (CBS). Also, Ministry has envisaged reverse Integration with State treasuries and eGSPI, where integration was done between respective State treasuries and eGramSwaraj PFMS Interface. This has obviated the need to book the receipt vouchers manually in the application which was an error prone process. This intervention has ensured end to end automation of accounting being done by the Panchayats under XV Finance Commission grants. The current initiative of MoPR is to integrate eGSPI and Government e-Marketplace (GeM) application. This will enable procurement of goods and services through GeM empanelled vendors only by the Panchayats using eGSPI for XV FC funds.

4.5 When asked that how these software applications under PES have aided in the working of Gram Panchayats, Ministry has replied that:

“Under Digital India Programme, Ministry of Panchayati Raj is implementing e-Panchayat Mission Mode Project, in the country to revamp the functioning of Panchayats and to make them more transparent, accountable and effective. Ministry launched eGramSwaraj a simplified work-based Accounting application to address various aspects of Panchayat functioning viz. planning, accounting, budgeting. Further, Ministry has also integrated e-Gram SWARAJ with Public Financial Management System for Gram Panchayats to make real time payments to vendors/service providers. Currently, 2,61,173 Panchayati Raj Institutions (including District Panchayat, Block Panchayat, Gram Panchayat) have prepared Panchayat Development Plans for Financial Year 2021-22. Further, 2,19,594 Gram Panchayats have on-boarded eGramSwaraj-Public Financial Management System Interface for 15th Finance Commission and 1,81,677 Gram Panchayats have carried out online transactions”.

4.6 When asked about the training programmes that have been conducted for the orientation for the PES applications for the elected representatives and Panchayati Raj functionaries, Ministry has replied that:

“Ministry has organized 13 trainings in the year 2019-20, 56 online training programs in year 2020-21 and 17 training programs in year 2021-22 to the

State level trainers for providing handholding support on various applications under e-Panchayat MMP/ eGramSWARAJ”.

4.7 When asked about the study undertaken by the Ministry for assessment of working of these software applications and the outcome of the study, Ministry has informed the Committee that:

“Ministry has conducted a study on “Evaluation of implementation of e-Panchayat Mission Mode Project and State specific ICT initiatives”

As the outcome from the recommendations of the above mentioned study, Ministry has developed e-Gram SWARAJ (<https://egramswaraj.gov.in/>), a unified tool for effective monitoring and evaluation of works taken up in the Panchayats, with a vision to usher in digital Panchayats to empower & transform rural India. The application has been developed amalgamating the functionalities of currently available applications in the e-panchayat Mission Mode Project (MMP). It subsumes the e-FMS applications comprising of PlanPlus, ActionSoft, PRIASoft and National Asset Directory (NAD) along with the Area Profiler Application with Local Government Directory (LGD) forming the base for such a robust system along with the Public Financial Management System (PFMS).

The application improves reporting and tracking of Panchayat activities, providing a single interface for capturing Panchayat information. The (e-Gram SWARAJ) application strengthens and decentralizes planning process so that the development funds consumed by the Plans result in effective outcomes.

- Plans prepared through convergence of funds and sectoral integration, ensuring on the one hand that the available funds are utilized to the maximum possible extent, such that important works are not abandoned for lack of funds
- Bottom-up planning process, reflecting the needs and aspirations of the people
- Tight coupling between the planned outlay and the actual expenditure incurred”.

4.8 Government of India envisions India a Digitally Inclusive and empowered society where large sections of rural population are able to benefit from new technologies, can access and share information and services freely and participate in the development process more effectively. E-governance, service delivery to citizens through means of Information Technology is key aspect of Digital India Programme and 5 years Vision Document of MoPR. MoPR aims to leverage Common Service Centres (CSCs) in realizing the objective of Smart Governance and provision of online services. It has signed a MoU with CSC e-Governance Services Limited to achieve this objective. CSCs would be co-located in the Gram Panchayat Bhawans and would be offering the various services. Ministry of Panchayati Raj have envisaged “Digitization of Gram Panchayats” with the objective

of setting up at least one self sustainable CSC in each Gram Panchayat (GPs) across the country with 2.50 lakh Gram Panchayats .

“Ministry of Panchayati Raj has following crucial as envisaged under the MoU :

- i) Support integration of SCS platform with various MoPR applications for assisted services to be provided through Common Service Centre across India.
- ii) Issues advisory/instructions to State Government to enable them for implementation of Project.
- iii) Engage in improvement of services through dialog with other ministries and departments wherever feasible and possible.
- iv) Nominate a Nodal officer who shall be over-all in-charge of the project to monitor and review progress of this project with the States
- v) Issue advisories on fund utilization for States to take up CSC Centre project in their respective PRIs, in consonance with the guidelines of the extant Central Finance Commission. However, the payment per Panchayat per month shall be as mutually agreed at individual state level.
- vi) Constitution of Project Monitoring and steering Committee (PMSC) comprising of officials from MoPR, CSC-SPV and nominated States. The PMSC shall have oversight and monitoring functions and shall provide guidance for the smooth operation of the project. The Committee would review progress and initiate suitable timely advisory/instructions to the States/UTs. The structure and terms of reference may be defined on mutual agreement with all the parties.
- vii) MoPR will provide training on PES to the CSC-SPV Master trainers. CSV SPV will be responsible for providing training to the VLEs.”

4.9 Aims, objectives and scope of Digitization of Gram Panchayats

e-Panchayat MMP aims at automating internal workflow processes of all the nearly 2.55 Lakh Panchayats across the country benefitting approximately 30 lakh elected members and about 10 lakhs PRI functionaries and improve local governance and make democracy work effectively at grassroots level.

“The objective for setting up digitization in the panchayat is to transform the functioning of Panchayati Raj Institutions (PRIs), making them more transparent, accountable and effective as last mile cutting edge organs of decentralized local self-governments. In order to strengthen Panchayati Raj Institutions (PRIs), following are the identified key area.

- Infrastructure for Information and Communications Technology (ICT) including computer, its peripherals along with internet connectivity and electricity.

- Co-location of Common Service Centre (CSCs) in GP Bhawan leading digitization of Panchayat functioning and generation of local employment.
- Smart Panchayat through e-Governance: To leverage digital technology by enhancing coverage, increase transparency and improve response to citizens through a suite of core common application under e-Panchayat Mission Mode Project”.

4.10 When asked to specify the utility of the programme in empowering and enabling Gram Panchayats, Ministry in its written reply has stated that:

“e-Panchayat MMP addresses various aspects of Panchayats’ functioning and support in maintains Panchayat profile including details of Election, Elected Members, Committee information etc. The application also facilitates the Panchayats in planning of activities and creation of action annual plan. It provides platform to the Panchayats to records the physical and financial progress of approved activities and maintains work-based accounting for effective monitoring of funds. e-GramSwaraj Application also supports in online payments directly to the vendors’ account through strong Authentication Mechanism based on open-source technologies. Further it captures and stores the details of all the immovable and movable assets of the Panchayats.

4.11 Study Visit of the Committee on Rural Development and Panchayati Raj to Gram Panchyats in Amravati, Chandrapur, Nagpur, Wardha districts of Maharashtra from 17 to 23 August, 2021. The Committee interalia made following observations:

- a. The Gram Panchayats were paying the service charges to CSC SPV in advance on annual basis as mandated under the CSC-RDD Memorandum of Understanding.
- b. Most of the Gram Panchayats did not have an active Internet connection. In the Gram Panchayats, which have been provided with internet connection, it was found to be non functional. Most of the CSC operators are using private internet connection (Jio Mobile internet) to provide CSC services. Further, CSC operators informed the Committee that the cost of their private internet is not being reimbursed by CSC.
- c. As per a block level report of Umred Panchayat Samiti in Nagpur district presented before Committee regarding services provided during Covid-19, It was informed that only 5316 certificates were issued by the 54 centres in last 29 months. On rough calculation it was found that against the amount paid of Rs.1.5 lakh per CSC per

year which amounts to Rs.1.96 Cr. approx., a single certificate costs around Rs.3682/-.

d. The issue of delay in payment of CSC operator was also brought forth before the Committee.

e. The Committee enquired about the data entries done, Digitization of GP's and services provided by the CSC, the Block Manager of CSC & public servants such as BDOs were unable to answer. Not a single GP were found to be digitized in last 6 years.

f. CSC operators and Block manger (CSC SPV) was found to be lacking in knowledge about the mandatory services to be provided to the citizens as per agreement with RDD-CSC.

g. CSC SPV was not providing the necessary stationary i.e. paper ream, toner and support to maintenance of computer and printer as well as mandated under the agreement.

h. Further, there were other grey areas too, Computers, funds, trained manpower, basic infrastructure, no provision for maintenance arising out of natural vagaries like floods, no proper monitoring of Central funds, no monitoring of work done at any level and so on.

4.12 When asked about the number of Gram Panchayats with computer hardware and have been connected with internet, Ministry in its reply has stated that:

“To facilitate adequate internet facility at Gram Panchayat, Bharat Net project is being implemented by Department of Telecommunications (DoT) in a Phased manner to create network to connect all the Rural Local Bodies (including Traditional Local Bodies; RLBs) (approx. 2.71 lakh RLBs) by broadband in the country. As on 01-11-2021, 165,956 RLBs are service ready out of which 50,558 RLBs are using active internet connection through Bharat Net Project. “

Gram Panchayats including TLBs with computer and without computer

Sl. No	State	Gram Panchayats including TLBs	GP with Computer
1	Andaman & Nicobar Islands	70	70
2	Andhra Pradesh	13371	7854
3	Arunachal Pradesh	2108	305
4	Assam	2666	1399
5	Bihar	8173	7626
6	Chhattisgarh	11658	5484
7	Goa	191	191
8	Gujarat	14257	14253
9	Haryana	6225	2500
10	Himachal Pradesh	3615	3226
11	Jammu & Kashmir	4291	3973
12	Jharkhand	4352	3753
13	Karnataka	5975	5550
14	Kerala	941	941
15	Ladakh	193	184
16	Lakshadweep	10	10
17	Madhya Pradesh	22741	22710
18	Maharashtra	27897	26167
19	Manipur	3818	86
20	Meghalaya	9005	5171
21	Mizoram	834	175
22	Nagaland	1288	216
23	Odisha	6798	6798
24	Puducherry	108	100
25	Punjab	13263	13263
26	Rajasthan	11341	9701
27	Sikkim	185	165
28	Tamil Nadu	12525	12525
29	Telangana	12769	4783
30	Dadra & Nagar Haveli and Daman & Diu	38	38
31	Tripura	1219	412
32	Uttar Pradesh	58189	36167
33	Uttarakhand	7791	1939
34	West Bengal	3340	3340
	Total	271245	201075

Status of Service Ready and Active Internet at Gram Panchayat Bhawan

S No.	States	Total RLBs	Service Ready as on 01-11-2021	Active Internet at RLBs as on 30-11-2021
1	ANDAMAN AND NICOBAR ISLANDS	271	24	
2	ANDHRA PRADESH	13371	1708	717
3	ARUNACHAL PRADESH	2108	749	
4	ASSAM	2666	1499	498
5	BIHAR	8168	8168	2846
6	CHHATTISGARH	11658	8386	3294
7	GOA	191	191	191
8	GUJARAT	14257	13888	4623
9	HARYANA	6230	6082	2256
10	HIMACHAL PRADESH	3615	403	193
11	JAMMU AND KASHMIR	4290	1055	221
12	JHARKHAND	4351	4049	1585
13	KARNATAKA	5975	5975	2421
14	KERALA	941	941	87
15	LADAKH	193	187	
16	LAKSHADWEEP	10	9	
17	MADHYA PRADESH	22741	16698	5367
18	MAHARASHTRA	27892	21247	8803
19	MANIPUR	3818	1436	3
20	MEGHALAYA	9000	625	2
21	MIZORAM	834	452	
22	NAGALAND	1285	224	
23	ODISHA	6798	6230	2418
24	PUDUCHERRY	108	98	44
25	PUNJAB	13263	12668	5432
26	RAJASTHAN	11341	8769	21
27	SIKKIM	185	23	
28	TAMIL NADU	12525	0	
29	TELANGANA	12769	5676	777
30	THE DADRA AND NAGAR HAVELI AND DAMAN AND DIU	38	0	28
31	TRIPURA	1219	711	514
32	UTTAR PRADESH	58188	33858	6460
33	UTTARAKHAND	7791	1629	783
34	WEST BENGAL	3341	2298	974
		271431	165956	50558

* RLB – Rural Local Bodies (includes Gram Panchayat and Traditional Local Bodies)

STATE/UT-WISE STATUS OF ROLL OUT CSCs AS ON 31 OCTOBER 2021

S. No	State/UT	No. of RLBs	At Least 1 VLE Identified/GP	Functional CSCs at GP level	CSC Co-located in Panchayat Bhawan
1	ANDAMAN AND NICOBAR ISLANDS	271	54	30	0
2	ANDHRA PRADESH	13371	13361	6160	426
3	ARUNACHAL PRADESH	2108	465	105	0
4	ASSAM	2666	2201	8104	35
5	BIHAR	8168	8385	32321	4619
6	CHHATTISGARH	11658	11654	13757	6361
7	GOA	191	189	89	0
8	GUJARAT	14257	14291	7495	0
9	HARYANA	6230	6197	12993	1180
10	HIMACHAL PRADESH	3615	3226	3919	195
11	JAMMU AND KASHMIR	4290	4193	4609	136
12	JHARKHAND	4351	4161	13533	3500
13	KARNATAKA	5975	6021	7803	150
14	KERALA	941	941	4048	0
15	LADAKH	193	192	65	0
16	LAKSHADWEEP	10	10	15	0
17	MADHYA PRADESH	22741	22810	28036	5011
18	MAHARASHTRA	27892	27875	31739	19856
19	MANIPUR	3818	165	737	0
20	MEGHALAYA	9000	1463	843	0
21	MIZORAM	834	713	225	0
22	NAGALAND	1285	1203	283	0
23	ODISHA	6798	6797	12731	3800

24	PUDUCHERRY	108	98	118	0
25	PUNJAB	13263	13202	7595	6
26	RAJASTHAN	11341	10761	14817	0
27	SIKKIM	185	110	59	0
28	TAMIL NADU	12525	12560	7151	0
29	TELANGANA	12769	7244	4002	0
30	THE DADRA AND NAGAR HAVELI AND DAMAN AND DIU	38	35	39	0
31	TRIPURA	1219	1178	1207	86
32	UTTAR PRADESH	58188	59021	77900	0
33	UTTARAKHAND	7791	7953	6131	662
34	WEST BENGAL	3341	3324	16891	590
	GRAND TOTAL	271431	252053	325550	46613

* RLB – Rural Local Bodies (includes Gram Panchayat and Traditional Local Bodies)

4.13 When asked about the strategy in hand to achieve better coordination among the Centre and the States for improving performance of the Digitization of Gram Panchayats programme, Ministry has informed that:

“This Ministry has constituted two Project Monitoring and Steering Committees (PMSC) under the Chairmanship of Additional Secretary, Ministry of Panchayati Raj. One of the PMSC is constituted to streamline e-Panchayat application in the States with the major objective to mitigate redundancy of information, ease the access of application at Gram Panchayat level and to improve the core functionality of application with the inputs/ suggestions from the State representatives. Another Project Monitoring and Steering Committee (PMSC) has been constituted for monitoring active internet connection under BharatNet Project and CSC co-location at Gram Panchayat Bhawan. The major objective of the committee is to monitor the progress in making GPs service ready and to encourage Gram Panchayats to get internet connections”.

4.14 When asked whether CSC operators can use the equipments (Computer and other hardware) provided under RGSA, Ministry in its written reply has stated that:

“The precise modalities are governed through the bilateral MoUs between the State and CSC SPV. As per the currently signed MoUs with State of Madhya Pradesh, Maharashtra and Uttarakhand, CSC shall use the already available infrastructure at Gram Panchayat. However, Gram Panchayat shall not make any expenditure towards hardware during the project. CSC shall replace any part thereof to commence the operation in time bound manner.”

4.15 Ministry was asked about the basis of signing the MoU with CSC-SPV for “Digitization of Gram Panchayats”, it has informed that:

“As per the recommendation of report on “Performance Based Payments Committee for better outcome in Rural Development Program” conducted by Sumit Bose Committee, support staff for IT and accounting may be outsourced from CSCs. There is dearth of technical manpower and infrastructure at the Gram Panchayats. In order to optimize the utilization of the infrastructure of computerization, technical manpower and to achieve efficient local Governance at Gram Panchayats, MoU has been signed between Ministry of Panchayati Raj (MoPR) and Common Service centers (CSC) e-Governance Services India Ltd. The aim of the MoU is to suggest synergy between Common Service Centers and State to create Digital Panchayats and that the CSC would be associated with Gram Panchayats to perform the following functions:

- (a) Delivery of online services by collocating CSC in the GP building.
- (b) Assisting in the e-governance: performing the task of data input in the applications, assist in the upkeep of computer and networking equipment.
- (c) Training: assist in imparting digital training and other domain training etc”.

4.16 Ministry was asked that “as per the currently signed MoUs with State of Madhya Pradesh, Maharashtra and Uttarakhand, CSC shall use the already

available infrastructure at Gram Panchayat”. However, CSCs have been envisaged as self sustainable ecosystem with no support from Government of India, Ministry has outlined the following Kindly reason for this anomaly:

“Under the current scheme of things, Rashtriya Gram Swaraj Abhiyaan (RGSA) only permits for expenditure towards co-location of CSCs on a limited scale, basis the demand raised from the States. States/UTs have been given ample flexibility to utilize the funds so released under the RGSA towards approved activities including co-location of CSC up to approved amount.

This is to supplement to the efforts of the States for supporting CSC operations in Panchayats, the precise modalities of which are governed through the bilateral MoUs between the State and CSC SPV”.

4.17 Ministry was also asked about the clause of FFC that salaries/honorarium of existing employees/permanent and contract is not allowed under the untied grants of the Fifteenth Finance Commission and according to the MoUs signed by states with CSC-SPV the salary of computer operator is being given from the grants, Ministry has replied as under:

“It is submitted that under Fifteenth Finance Commission, 10% of untied grants may be utilized by the Gram Panchayats for meeting technical & administrative support towards O&M and capital expenditure, inter alia, including improving basic services in Rural Areas.

Additionally, States/ Panchayats are free to explore other payment avenues towards providing services at the grassroots level viz. Own Source of Revenue, State schemes/ grants etc”.

4.18 When asked about the challenges and constraints before Ministry of Panchayati Raj, requirement of funds and infrastructure available, need for augmentation of e-MMP, Ministry in its written reply has stated that:

“To realize the complete benefits of e-Panchayat Mission Mode Project, it is imperative that all the GPs are connected with internet and have adequate infrastructure. Hence, e-Panchayat MMP is dependent on the roll out of Bharat Net Project which seeks to connect all the GPs in the country. However, merely, laying the optical fibre does not address the concerns. The last mile connectivity is also equally significant. Besides, constraints of trained manpower and capacity pose significant challenge in the rollout of e-Panchayat across States. States are currently in different levels of preparedness in terms of e-enablement. Further, MoPR has also placed emphasis on e-Financial Management System (e-FMS). A critical part of this system is the adoption of eGramSwaraj-PFMS for the purpose of making real time payments. In order to ensure the successful roll out of this endeavour, accounting module under e-GramSwaraj application has been integrated with Public Financial Management System (PFMS). At present, the Ministry has been pursuing States for closure of account on eGramSwaraj as well as for online payment through PFMS. For the year 2021-22, 83% of the Gram Panchayats have closed their month books.

Also, 2.31 lakh Gram Panchayats have on-boarded eGramSwaraj-PFMS interface, out of which 1.86 lakh GPs have carried out online payments through the Online Payment Module (erstwhile PRIASoft-PFMS Interface (PPI)) for the expenditure incurred under 15th Finance Commission for 2021-22.”

Chapter-5
SVAMITVA

(Survey of Villages and Mapping with Improvised Technology in Village Areas)

SVAMITVA (*Survey of Villages and Mapping with Improvised Technology in Village Areas*) is a Central Sector Scheme launched by Hon'ble Prime Minister on 24th April 2020, the National Panchayati Raj Day. The scheme aims to provide the 'record of rights' to village household owners possessing houses in inhabited rural areas in villages and issuance of property cards to the property owners. This scheme is being implemented with the collaborative efforts of the Ministry of Panchayati Raj, State Revenue Department, State Panchayati Raj Department and Survey of India (Sol). This would facilitate monetization of rural residential assets for credit and other financial services. There are about 6.62 lakh villages in the country which will be eventually covered in this scheme. The entire work is likely to be spread over a period of four years (FY 2020- 24). Pilot phase of the scheme was implemented during the financial year 2020-21 and covered about 1 lakh villages in the States of Haryana, Karnataka, Madhya Pradesh, Maharashtra, Uttar Pradesh and Uttarakhand, few border villages of Punjab & Rajasthan and Andhra Pradesh along with establishment of Continuous Operating Reference System (CORS) network in Punjab, Rajasthan, Madhya Pradesh and Haryana.

Funds are released for the following components of the Scheme:

- i. Establishment of Continuously Operating Reference Stations (CORS) network (Funded to Survey of India)**
This component provides establishment of CORS network by Survey of India. This will be funded by Ministry of Panchayati Raj, for establishment of CORS networks.
- ii. Large Scale Mapping using Drones (Funded to Survey of India)**
This component would be funded by Ministry of Panchayati Raj for Large Scale mapping using Drone across the inhabited villages of the Country.
- iii. IEC Initiatives (Funded by MoPR to State Revenue Department)**
Awareness programs to sensitize the local population about the surveying methodology and its benefits. The Ministry of Panchayati Raj would provide fund to State Revenue Department/ Nodal department
- iv. Project Management:**
 - a) Establishment of National Project Management Unit at Ministry of Panchayati Raj (Funded to National informatics centre)
 - b) Establishment of State Project Management Unit at State Revenue Department (Funded by MoPR to State Revenue Department)

v. Application Enhancements - a. Gram Manchitra, b. SVAMITVA Dashboard (Funded by MoPR to National informatics centre)

vi. Documentation support, National/ Regional level Workshop and Exposure visits (Funded by MoPR to State /any Government agency under Grant-in-aid head)

Majority of funds under the scheme are earmarked for Continuously Operating Reference Stations (CORS) and Large Scale Mapping (LSM) components and these are sanctioned to Survey of India. Funds on limited scale under Information-Education-Communication (IEC) and State Project Management Unit (SPMU) components are released to States/UTs.

Overview of the Scheme (FY 2020-25)

- Covers all villages across the Country
- Establishment of 567 CORS Network
- Pilot Phase of the Scheme (FY 2020-21)
- 29 States/UTs are on-boarded on the Scheme, including Autonomous District Council (6th Schedule areas) of Tripura and Bodoland Territorial Council and Karbi Anglong Autonomous Councils of Assam

5.2 When asked about the process of providing 'record of rights' under the SWAMITVA scheme, Ministry in its written reply has stated that:

"SVAMITVA Scheme is a Central Sector Scheme of Ministry of Panchayati which aims to provide 'Record of rights' to village household owners possessing houses in inhabited rural areas in villages with the issuance of legal document/ Property Cards to property owners. The Scheme would cover all the villages across the Country by 2025.

The Scheme is being implemented with the collaborative efforts of the Ministry of Panchayati Raj, State Governments and Survey of India. Ministry of Panchayati Raj is the Nodal Ministry. Survey of India is technology implementation partner and is responsible for conducting drone survey and generation of maps. State Government is responsible for the generation of Property Cards to rural household owners after due verification of maps created under the drone survey.

States/ UTs under their State Rules/Acts have provisioned for drone-based survey of Abadi/ Ialdora/ Gaothan area and created Property Card format. State notifies the survey area through a public notice. Gram Panchayat invites the residents of the village for Gram Sabha to inform them about the schedule of the survey and to sensitize about the surveying methodology and its benefits. Ground marking of survey areas is done in the presence of Gram panchayats, villagers, Revenue officials etc. On the scheduled date, Survey of India conduct drone survey of inhabited areas of village and captures the drone images. These images will be further processed by Survey of India for creation of Property maps/ land parcels. State ground verifies the generated property maps

and also capture Property owners details. Then, Survey of India make corrections on the State verified maps.

The corrected maps are further put for claims and objection. The verification of ownership claims over various land parcels and providing possession of land parcels to its rightful owner falls under the jurisdiction of the State and authority is vested with State Governments for the same. Each State has defined time-period for raising claims and objections. State Government issues notification for providing adjudication of final maps. Gram Panchayats and Revenue officials re-verifies the ownership and resolves any post survey objections received from property owners. These may be related to correction in owner name, property boundaries, joint holding etc. For unresolved objections/disputes, the final decision rests with the State authorities as provided in their Act/Rules.

After resolution of claims and objections, the final maps are generated and State Government generates Property Cards, which is distributed to Property holders.”

Impact of SWAMITVA on reduction in poverty and mitigation of rural infrastructure challenges

5.3 SVAMITVA Scheme has large impact on Rural household owner to provide the right of the property to the household, opens avenue for applying loans from Financial institutes by Property Owners, reduction in disputes related to property with clear titles, accurate size determination and transparent land titles, SVAMITVA provides the States with the prospect of empowering the Gram Panchayats to levy and collect Property Tax, which would provide financial wherewithal to them and creation of accurate land records and GIS maps, to support in preparation of better-quality Gram Panchayat Development Plan (GPDP). The scheme envisaged for:

- Drone based survey of all inhabited villages across the country
- Generation of legal document “Property Card” for property holder as per States/ UTs Rules/Acts
- Operationalisation of Continuous Operating Reference Station (CORS) across the country to provide 5cm accuracy in locational services for multifarious applications.

SVAMITVA Scheme enhances the socio - economic profile of the individuals and the Gram Panchayats, making them self- reliant. It provides the right of the property to the every household in the inhabited rural areas of the country through survey using the drone-based technology. It seeks to cover entire population dwelling on abadi lands including SCs, STs, differently abled, minorities, women and other vulnerable groups. It also opens avenue for applying loans from financial institutions by Property Owners. The accurate maps generated under the Scheme may be further utilized for

preparing comprehensive developmental plan. The CORS network provides framework for easy estimation of developmental works and projects.

5.4 When asked about the Progress of the Scheme, the Ministry has informed as under:

“Under the newly launched scheme of SVAMITVA as on 31.12.2021, drone flying completed in 94,387 villages, maps generated after inquiry process/ objection process in 40,785 Villages and 209 CORS sites Monumented”.

“29 States/UTs have on-boarded on the Scheme so far. Discussion is going with remaining States for on boarding on SVAMITVA Scheme”.

5.5 When asked about the system of monitoring and control over the performance of SWAMITVA, the Ministry has informed as under:

“(i) Scheme progress on key performance indicator parameters can be monitored through the Scheme dashboard (<https://svamitva.nic.in>)
(ii) Scheme framework provides four-layer monitoring and evaluation framework for timely monitoring, reporting and course corrections (*wherever necessary*). It shall operate at National level, State level, District level and Panchayat level and comprise of relevant decision makers and subject matter experts”.

5.6 Ministry was asked about the RE figures for 2021-22 which were at 140.00 crore with actual expenditure at 105.53 crore as on 05. Jan 2022. Further, Ministry was asked why the RE was reduced from 200 crore to 140 crore in 2021-22 and also the reason because of which the ministry could not spend the amount, Ministry in its written reply has stated that:

“SVAMITVA scheme is being implemented with the collaborative efforts of the Ministry of Panchayati Raj, State Revenue Department, State Panchayati Raj Department and the Survey of India (Sol). The pace of scheme affected due to various challenges like unavailability of sufficient drones, bad weather conditions such as floods, high winds etc., Scheduled elections in few States, restrictions imposed due to COVID-19 pandemic, paucity of field level manpower etc. Due to these reasons the implementing agency i.e. Sol was unable to utilize the funds timely. Hence, funds were reduced to Rs 140 Cr at RE Stage. There was no reduction in the BE for 2022-23. It was kept at Rs. 150 Cr. as per the year-wise budget outlay of scheme approved by the EFC”.

5.7 When asked about the specific works that would be undertaken under the scheme and the role Ministry of Panchayati Raj play in implementation and monitoring of the scheme, Ministry has informed the Committee that:

“Specific works that would be undertaken under the Scheme include establishment of Continuously Operated Reference Station (CORS) and large scale mapping of Abadi areas in villages using drones. Survey of India is responsible for carrying out activities under these two components. Ministry of Panchayati Raj is responsible for funding and overall monitoring of the Scheme.”

5.8 When asked about the challenges and constraints before Ministry of Panchayati Raj, requirement of funds and infrastructure available, need for its augmentation, for scheme of SWAMITVA, Ministry has replied that:

“Under the scheme of SVAMITVA the major challenges being faced are adapting SVAMITVA to State’s existing system, delayed handing-over of Map-1 by Sol and ground-verified maps by State, unforeseen conditions like bad weather, Strikes, floods, lockdown etc., delay approvals from Sol and unavailability of sufficient drones and trained pilots by Survey of India (Sol)”.

5.9 When asked about the roadmap to achieve the objectives of the scheme and When Ministry intends to achieve the target, Ministry of Panchayati Raj has stated in its reply that:

- “ To achieve the objectives of the Scheme -
- i. Quarterly targets are set for drone flying and generation of property cards
 - ii. Drone flying in all inhabited villages across the Country is targeted to be completed by March 2024
 - iii. Completion of generation of all Property Cards by March 2025.
 - iv. Establishment of 567 CORS network under the Scheme by October 2022
 - v. Enhance Ministry of Panchayati Raj spatial planning application with high-resolution maps/ GIS data generated under the Scheme to support in comprehensive village planning

Steps taken by Ministry to achieve the targets –

- i. Milestone-based targets are set for the States/UTs and Survey of India
- ii. Regular review meeting with States/ Survey of India for monitoring of Scheme and early resolution of Issues
- iii. Scheme provides four level monitoring system, viz. National, State, District and Panchayat
- iv. Online Monitoring dashboard provides village level progress of the States (svamitva.nic.in)
- v. Ministry provides hand-holding of States/UTs
- vi. Multiple Stakeholder consultation viz. with Department of Science & Technology, Drone Federation of India, Government & Public technology partners, Banks to further streamline implementation of Scheme”

Chapter - 6

Devolution of untied grants of Fifteenth Finance Commission (FFC)

Article 280(3)(bb) of the Constitution of India stipulates that the Central Finance Commission shall make recommendations to the President regarding measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats in the State. In pursuance of this provision, Ministry has recommended successive Central Finance Commissions for enhanced financial devolution for Panchayats. With effect from XV FC, the rural local bodies in all the three tiers and the traditional bodies of fifth and sixth schedule areas in 28 States have become eligible for Central Finance Commission Grants on the recommendation of the Ministry. The successive Finance Commissions have made enhanced devolutions to the rural local bodies which are as under:-

Finance Commission	Period	Devolution amount (in Rs. crore)
12 th	2005-10	20,000.00
13 th	2010-15	63,050.00
14 th	2015-20	2,00,292.20
15 th (Interim)	2020-21	60,750.00
15 th (Final)	2021-26	2,36,805.00

6.2 When asked about the percentage of achievement of targets (both in the physical and financial terms separately) in accordance with the vision map of the Ministry along with the parameter set by the current Finance Commission (FFC), Ministry in its written reply has stated that:

“The current Finance Commission i.e. Fifteenth Finance Commission (XV FC) in its interim report given recommendations for the Financial Year 2020-21 and in the final report recommended grants for the Financial Year 2021-22 to 2025-26. During 2020-21 and 2021-22, Ministry implemented a Centrally Sponsored Scheme (CSS) of Rashtriya Gram Swaraj Abhiyan (RGSA) with the primary aim to develop governance capabilities to strengthen PRIs. RGSA is a demand driven scheme which primarily aimed at strengthening the Panchayati Raj Institutions across the Country. No physical and financial targets under the scheme were/ have been fixed since the scheme provided for funding activities selected by States / UTs as reflected in their respective Annual Action Plan subject to the approval of Central Empowered Committee of RGSA. During 2020-21, around 33,34,000 number ERs & other stakeholders provided training under the scheme. The financial achievement during 2020-21 and 2021-22 (as on 05.01.2022) under the schemes of RGSA, SVAMITVA, Incentivisation of Panchayats, and Mission Mode Project on e-

Panchayat, Media & Publicity and Action Research & Research Studies are as under:

(Rs in crore)

Schemes	Years	BE	RE	Expenditure	Expenditure as % of RE
RGSA	2020-21	790.53	499.94	499.93	100.00
	2021-22	593.00	618.00	518.10	83.83
SVAMITVA	2020-21	0.00	79.65	79.65	100.00
	2021-22	200.00	140.00	105.53	75.38
Incentivisation of Panchayats	2020-21	47.00	47.00	49.68	105.70
	2021-22	48.00	52.51	47.72	90.88
Mission Mode Project on e-Panchayat	2020-21	20.00	17.82	17.79	99.83
	2021-22	20.00	11.71	11.22	95.82
Media & Publicity	2020-21	8.00	10.22	7.50	73.39
	2021-22	15.00**	8.02**	4.74**	59.10**
Action Research & Research Studies	2020-21	2.00	2.00	2.00	100.00
	2021-22	**	**	**	**

Note: Expenditure of 2021-22 is as on 05.01.2022

** With effect from 2021-22, the Schemes of Media & Publicity and Action Research & Research Publicity have been merged into one scheme as Action Research and Publicity.”

6.3 Ministry was asked about its role in devolution of Fifteenth Finance Commission (FFC) grants to Panchayati Raj Institutions at all three levels, in written reply it has stated that:

“Until Fourteenth Finance Commission Award, only Gram Panchayats were eligible for the grants. On recommendation of the Ministry, all three tiers of the Panchayats/ rural local bodies and traditional bodies are eligible for grants under the Fifteenth Finance Commission (XV FC). Ministry of Panchyati Raj is the nodal Ministry for making recommendations to the Ministry of Finance (MoF) for release of Fifteenth Finance Commission (XV FC) Untied Grants to the Rural Local Bodies (RLBs)”.

6.4 FFC in its recommendations for 2021-2026 has tied devolution of grants to Panchayati Raj Institutions to constitution of State Finance Commissions in States where it has not been constituted. It has also directed Ministry of Panchayati Raj to certify the compliance of all Constitutional provisions by a State in this respect before the release of their share of grants for 2024-2025 and 2025-2026. When asked how the Ministry is coordinating with the States for this compliance and what are the criteria/functionalities ensured by the Ministry before issuing certificate of compliance in such cases, Ministry has replied that:

“The States have already been advised by the Ministry to take all necessary actions towards compliance to the condition of constitution

of due State Finance Commissions (SFC) and fulfillment of all related provisions like laying of the SFC reports with Action Taken Report on the legislatures for drawl of XV FC Grants from FY 2024-25. The compliance to these conditions will have to be certified by the States in their Grant Transfer Certificates (GTCs) which will be verified by Ministry before making recommendation to Ministry of Finance for release of XV FC Grants”.

6.5 When asked about the other conditions such as duly constituted PRIs by the states as one of the conditions as outlined by FFC in its recommendations and the steps taken by the MoPR regarding this, Secretary, MoPR during course of evidence stated that:

“सर, इस पर यह है कि हमलोगों के पास जो स्थिति बनती है, इसमें समिति के निर्देश होंगे, तो वह हम समिति को रिपोर्ट पुट-अप कर देंगे कि साहबइन-इन राज्यों में इन कमियों की वजह से इनको धन राशि रिलीज करने की संस्तुति नहीं की गई। उदाहरण के लिए, अब यह डाला गया है कि हरेक राज्य में झूलीकॉन्स्टीट्यूटेड पंचायती राज इंस्टीट्यूटशंस शुडबीइन प्लेस। जिन राज्यों में चुनाव ही नहीं हुए हैं, वहां पर हम कैसे सर्टिफाई कर सकते हैं कि यहां पर झूली कॉन्स्टीट्यूटेड है। व्यावहारिक रूप में वहां पर धनराशि अवमुक्त करने में विलंब होगा, जब तक वह चुनाव नहीं करवा लेते हैं। लेकिन पिछले वर्ष को विडकेकाल में असामान्य परिस्थिति को देखते हुए सारे रूल्स को फाइनं समिनिस्ट्री ने रिलेक्स किए थे। कोविड की महामारी की वजह से वर्ष 2020-21 और 2021-22 का भी पहला इंस्टॉलमेंटस भी राज्यों को उन्होंने रिलीज किया था। अब जैसे सैकेंड इंस्टॉलमेंट मध्य प्रदेश का रिलीज होना है और मध्य प्रदेश में चुनाव नहीं हुए हैं तो हम उसको सर्टिफाई नहीं कर सकते हैं कि वहां पर झूली कॉन्स्टीट्यूटेड पी आर आई आर इन प्लेस। जब तक वहां चुनाव नहीं होता है, तो यह फाइनेंस मिनिस्ट्री के ऊपर है कि हमारी रिकमंडेशन को वह मानेया न माने। कई बार बगैर हमारी रिकमंडेशन के भी वह जारी किया, लेकिन हम रिकमंडन हीं कर सकेंगे, क्योंकि वहां पर झूली कॉन्स्टीट्यूटेड पंचायती राज इंस्टीट्यूशंस इज नोटदेअर। हमारी जिम्मेदारी है कि हम उनके संज्ञान में लाए और यही चीज हम ड्रिंकिंग वाटर सप्लाई के भी संज्ञान में लाते हैं”।

6.6 Ministry was asked, whether achieving e-Panchayat by States in a phased manner can be made mandatory for release of funds against Annual Action Plans of States and what other measures can be suggested to encourage states in this direction, it has replied that:

“As per the Operational Guidelines by Ministry of Finance dated 14th July 2021, eligibility conditions for release of Fifteenth Finance Commission Grants are as under:

(i) For the release of Untied and Tied grants: In order to be eligible for grants, RLBs have to mandatorily prepare and make available online both provisional accounts of previous year and the audited accounts of the year before previous as entry level condition to avail the grants. However, for the year 2021-22 and 2022-23, the States need to ensure that at least 25 percent of the RLBs have both their provisional accounts for the previous year and audited accounts for the year before the previous available online in the public domain in addition to MoPR eGramSwaraj and Audit Online in order for them to avail of the full grants in that year. For the years 2023-24 onwards, all RLBs need to have both provisional accounts of the previous year and

the audited accounts of the year before previous available online in public domain in addition to MoPR eGramSwaraj and Audit Online failing which grants will be released on pro-rata basis depending upon the number of bodies complying to these conditions. MoPR in consultation with C&AG may devise required formats of Audited and Provisional accounts to be uploaded in eGramSwaraj/ Audit Online.

(ii) For the release of Tied grants: Rural local bodies shall be deemed to be eligible for the release of tied grant of the Department of Drinking Water and Sanitation, Ministry of Jal Shakti, Govt of India (DDWS) is satisfied about fulfillment of the following broad conditions:

- (a) Uploading of GPDP/BDP/DDP in eGramSwaraj (or through DDWS-IMIS) containing details of Annual Action Plan of villages/ Block/ District for sanitation and Drinking water supply by the RLBs in the format as may be prescribed by the DDWS. Annual Action Plan for Drinking water supply shall include: Details about Supply of drinking water, rain water harvesting and water recycling. Annual Action Plan for Sanitation shall include: Status & maintenance of ODF and planning and implementation of SLWM interventions in the local body.
- (b) Uploading of details about utilization 15th FC funds [both components] on the website.
- (c) Any other conditions which DDWS may deem fit in connection with the stated objective of the tied grants.”

6.7 Ministry was asked about the aspects it takes into account before recommending to the Ministry of Finance and the role of these recommendations, in its reply, it has stated that:

“Operational Guidelines for the implementation of the Fifteenth Finance Commission recommendations on Rural Local Bodies (RLBs) for the period 2021-22 to 2025-26 have been issued by Ministry of Finance, Department of Expenditure vide their letter no. 15(2)FC-XV/FCD/2020-25 dated 14.7.2021. In terms of Para 10 of these Operational Guidelines, Ministry of Panchayati Raj, Government of India shall act as nodal Ministry for determining the eligibility of the RLBs for the Untied Grant. It will assess compliance to the following conditions and shall recommend for release of Untied Grant to the Deptt of Expenditure, Ministry of Finance:

- (i) RLBs shall be deemed to be eligible for the grants, if they are duly constituted i.e. if duly elected bodies are in place except for States/Areas where Part IX of the Constitution does not apply. In case, all the bodies are not fully constituted grants shall be released to the State on pro-rata basis for duly constituted only.
- (ii) RLBS have to mandatorily onboard on eGramSwaraj-PFMS for XV FC Grants transactions
- (iii) At least 25% of the RLBs’ provisional accounts for previous financial year are available on eGramSwaraj Portal.
- (iv) At least 25% of the RLBs’ Audited accounts for the year before previous financial year is available on AuditOnline. (From FY 2023-24 onwards, States will receive total grants due to only those RLBs having both provisional accounts of

- the previous year and audited accounts for the year before previous on eGramSwaraj & Audit Online respectively)
- (v) At least 50% of the Central Finance Commission Grants for RLBs have been transferred during the previous Financial Year have been utilized by the RLBs (only for 2nd installment of Grants).
 - (vi) Constitute due State Finance Commission (SFC), act upon their recommendations and lay the explanatory memorandum as to the action taken thereon before the State legislature on or before March, 2024. After March, 2024, no grants will be released to a State that has not complied with the Constitutional provisions in respect of the SFC and these conditions.

Based on the recommendations from MoPR, Ministry of Finance (MoF) considers the release of the installments of XV FC Untied Grants to the States.”

6.8 When asked about the steps that have been taken by the Ministry to “The compliance to conditions related to the constitution of State Finance Commission will have to be certified by the States in their Grant Transfer Certificates (GTCs) which will be verified by Ministry of Panchayati Raj before making recommendation to Ministry of Finance for release of XV FC Grants”, Ministry has stated that:-

“In terms of Para 5 (A) (iii) of the Operational Guidelines for the implementation of the Fifteenth Finance Commission recommendations for Rural Local Bodies, all States which have not constituted relevant State Finance Commission (SFC) must constitute SFC, act upon their recommendations and lay the explanatory memorandum as to the action taken thereon before the State Legislature on or before March, 2024. After March, 2024, no grants shall be released to a State that has not complied with the Constitutional provisions in respect of the SFC and other conditions, as mentioned in the reply at Point No. 6.7 The Ministry of Panchayati Raj has issued an advisory to the States in February, 2021 to comply with requirement for SFC, which will be followed up by MoPR for compliance before March, 2024 from which the condition becomes enforceable.”

Chapter-7

Ensuring Transparent , Accountable and Vibrant Gram Panchayats

Citizen Charter

In order to focus of the commitment of Panchayati Raj institutions (PRIs) towards its citizens in respects of standards of services, information, choice and consultation, non discrimination and accessibility, grievance redressed, courtesy and value for money, Ministry has provided platform to upload Citizens Charter(<https://panchayatcharter.nic.in/>) document with the slogan “Meri Panchayat Mera Adhikar, Jan Sevaayein Humare Dwaar” this also includes expectation of the organization from the citizen for the filling the commitment of the organization.

7.2 Till 6th January 2022, 1.95 lakh GPs have uploaded their approved citizen charter and offering 921 services to the citizens out of which 241 services are deliver to through online mode.

Citizen Charter Campaign- State wise Performance

S.No.	State	No. of GPs with Citizen Charter Prepared	Percentage	No. GPs with Citizen Charter Approved	Percentage
1	ANDAMAN AND NICOBAR ISLANDS	70	100.00%	70	100.00%
2	ANDHRA PRADESH	10660	79.72%	10394	77.74%
3	ARUNACHAL PRADESH	437	20.73%	410	19.45%
4	ASSAM	2197	82.50%	2197	82.50%
5	BIHAR	5967	72.97%	5897	72.12%
6	CHHATTISGARH	11544	99.02%	11325	97.14%
7	GOA	183	95.81%	181	94.76%
8	GUJARAT	12197	85.55%	11915	83.57%
9	HARYANA	6221	99.81%	6225	99.87%
10	HIMACHAL PRADESH	3595	99.45%	3598	99.53%
11	JAMMU AND KASHMIR	0	0.00%	0	0.00%
12	JHARKHAND	4348	99.93%	4327	99.45%

S.No.	State	No. of GPs with Citizen Charter Prepared	Percentage	No. GPs with Citizen Charter Approved	Percentage
13	KARNATAKA	3228	54.04%	3121	52.25%
14	KERALA	0	0.00%	0	0.00%
15	LADAKH	73	37.82%	70	36.27%
16	LAKSHADWEEP	0	0.00%	0	0.00%
17	MADHYA PRADESH	17508	76.99%	17098	75.19%
18	MAHARASHTRA	20920	75.01%	19889	71.31%
19	MANIPUR	2490	65.32%	2433	63.82%
20	MEGHALAYA	71	1.05%	71	1.05%
21	MIZORAM	713	85.49%	711	85.25%
22	NAGALAND	1263	98.14%	1240	96.35%
23	ODISHA	0	0.00%	0	0.00%
24	PUDUCHERRY	0	0.00%	0	0.00%
25	PUNJAB	0	0.00%	0	0.00%
26	RAJASTHAN	0	0.00%	0	0.00%
27	SIKKIM	170	91.89%	162	87.57%
28	TAMIL NADU	10925	87.23%	10550	84.23%
29	TELANGANA	12769	100.00%	12769	100.00%
30	THE DADRA AND NAGAR HAVELI AND DAMAN AND DIU	25	65.79%	23	60.53%
31	TRIPURA	1169	99.24%	1126	95.59%
32	UTTAR PRADESH	54680	93.97%	53953	92.72%
33	UTTARAKHAND	7791	100.00%	7791	100.00%
34	WEST BENGAL	3213	96.20%	3213	96.20%
Total		194427	72.29%	190759	70.93%

7.3 When asked that how many Gram Panchayats have implemented citizen charters and have penal provisions for their non-adherence by the Panchayati Raj functionaries, Ministry has replied in written that

“Out of 2.55 lakh Gram Panchayats (GPs), 2.00 lakh GPs have prepared their Citizen Charter out of which 1.96 lakh GPs have

approved their charter through Gram Sabha. Panchayat is a State subject in the State List. Accordingly, the State Government mandates penal provision for non-adherence to citizen charter implementation by the Panchayati Raj functionaries, which vary from State to State”.

7.4 Ministry was asked Whether CSCs have Citizen Charters for providing services, Ministry in its reply has informed the Committee that:

“With an intent of making the role of Panchayats in Service Delivery meaningful and to standardize the delivery of Services across the Panchayats, setting service standards, the time limit that the people can expect to be served, mechanisms for redressing grievances, and a provision for unbiased scrutiny by citizens; making the Panchayats and their elected representatives directly accountable to the people, Ministry has initiated Citizen Charter campaign under the aegis of Meri Panchayat, Mera Adhikaar- Jan Sevaayein Hamare Dwaar from 01st July- 30th September, 2021. As on date, about 1.94 Lakh Gram Panchayats across 27 States/ UTs have now finalised their Citizen Charter”.

7.5 When Ministry was asked that as per the data furnished 72 per cent Gram Panchayats are working with Citizen Charters, however Committee in its study visit to various Gram Panchayats in Maharashtra found that the visited Gram Panchayats were not following citizen charters and no citizen charter board were displayed outside, Ministry in its reply stated that:

“ ‘Panchayat’ being the State subject, defining and providing the services to the citizen is the responsibility of the States. However, with an intent of making the role of Panchayats in Service Delivery meaningful Ministry has initiated Citizen Charter campaign under the aegis of Meri Panchayat, Mera Adhikaar- Jan Sevaaye in Hamare Dwaar from 01st July- 30th September, 2021. The details of services provided by the Gram Panchayats are uploaded on citizen charter. As on date, about 1.94 Lakh Gram Panchayats across 27 States/ UTs have now finalised their Citizen Charter on <https://panchayatcharter.nic.in/>.

Further, as per the information furnished by the Ministry of Electronics and Information Technology (MeitY), various Government Ministries/Departments have mandated to deliver e-Services to citizens through various modes of delivery channels (such as, Government counters-Government Offices, websites, mobile applications, and assisted kiosks/counter). MeitY has built CSC network under the CSC 2.0 project, as one of the service delivery channels to citizens. Government Ministries/Departments approaches CSC–SPV to integrate their services with the Digital Seva Platform (DSP) of CSC–SPV.

The CSC 2.0 project is building assisted kiosks/counters as CSC network under CSC 2.0 project, which is a self-sustainable & transactions based service delivery model without financial support for Gol to CSC VLEs. CSC VLE sets up its own ICT infrastructure with its own space (including hardware & software, *stationary material* etc).

Hence, the VLE is wholly responsible for the capex & opex to run a CSC”.

AUDIT

7.6 To address critical institutional reform towards financial management, transparency and accountability, Ministry launched the Audit Online application for carrying out online Audits of Panchayat accounts. The application also envisaged to streamline the process for audit inquiries, draft local audit reports, draft audit paras etc. So far, around One Lakh Audit Reports have been generated for the audit period 2019-20.

7.7 When asked about the proactive measures that have been undertaken by the Ministry to ensure regular audit of PRIs and various schemes, Ministry informed as under:

“Fifteenth Finance Commission (XV FC) has prescribed the condition of availability of Audited annual accounts as one of the eligibility conditions for drawal of XV FC Grants. Accordingly, MoPR has conceptualized and developed an application called Audit Online for online audits of Panchayat accounts. This application was launched in April 2020 to strengthen the financial management system in Panchayats and to bring transparency and accountability of Rural Local Bodies in utilization of Central Finance Commission funds etc. for various mandated activities in rural areas. The application not only facilitates the auditing of accounts but also provisions for maintaining digital audit records that have been carried out. This application encompasses to streamline the process for audit inquiries, draft local audit reports, draft audit paras etc”.

7.8 When asked whether a regular audit being conducted for the various schemes of the Ministry, what are the observations regarding the various schemes, Audit discrepancies and actions taken, Ministry has replied that:

“The office of Director General of Audit has conducted annual audit of the Ministry for scheme as well as non-scheme up for the latest financial year 2018-19 & 2019-20, the reports of which are awaited”.

7.9 When asked whether audit reports are put in the public domain, Ministry has replied as under:

“Yes, the audit reports audited for the financial year 2016-17 & 2017-18 are uploaded on the website of the Ministry (<https://www.panchayat.gov.in>)”.

7.10 When asked about the provisions of auditing by respective States, Ministry of Panchayati Raj has stated as under:

“The auditing of account of RGSA Scheme is being done by the respective Panchayati Raj Departments, as per their departmental instructions, rules, etc. through certified auditors/ agencies such as office of Comptroller and Auditor General (CAG)/ State Local Audit/ Chartered Accountants. The scheme of RGSA is being implemented through States/UTs and other implementing agencies as per implementation framework of the scheme. Funds are released under the scheme on compliance of MoF instructions regulating release of funds under Centrally Sponsored Scheme, submission of requisite documents including provisional Utilization Certificate (UC) of previous year and Utilization Certificate (UC) and Audited statement of account of year before previous year.

Keeping in view the audit procedures/rules followed by the States for auditing of Panchayats’ accounts, the audit procedures/requirements have been incorporated in the Audit Online. In majority of the States, auditing of the Panchayats’ accounts are done by Director, Local Fund Audit (DLFA) through Audit Online Platform except in West Bengal where this auditing is done by State AG”.

7.11 When asked whether copy of audit report is submitted to the Ministry by the States and the corrective action that has been taken by Ministry on such reports, Ministry has informed the Committee as under:

“The releases under the scheme of RGSA are made on submission of requisite documents including Audited statement of account of year before previous year.

As far as audit report of PRIs is concerned, as audit of Panchayats come within the purview of the State Governments, copy of the audit report is not submitted to Ministry of Panchayati Raj”.

State wise progress on Audit Online for the audit period 2019-20

As on Date: 31-01-2022								
Sr. No.	States	Total No. of GPs	Auditees registered		GPs with Audit Plans		Audit report generated (Audit Completed)	
			No.	%	No.	%	No.	%
1	ANDHRA PRADESH	13,371	12,796	96%	4,406	33%	4,037	30%
2	ARUNACHAL PRADESH	1,785	89	5%	2	0%	0	0%
3	ASSAM	2,197	2,195	100%	669	30%	563	26%
4	BIHAR	8,387	8,387	100%	2,160	26%	2,136	25%
5	CHHATTISGARH	11,664	8,412	72%	2,922	25%	2,913	25%
6	GOA	191	49	26%	48	25%	48	25%
7	GUJARAT	14,308	12,397	87%	3,710	26%	3,676	26%
8	HARYANA	6,197	6,197	100%	1,621	26%	1,538	25%
9	HIMACHAL PRADESH	3,226	3,226	100%	861	27%	823	26%
10	JAMMU AND KASHMIR	4,289	2,759	64%	1,519	35%	1,095	26%
11	JHARKHAND	4,359	4,351	100%	2,348	54%	1,855	43%
12	KARNATAKA	6,008	6,008	100%	1,880	31%	1,741	29%
13	KERALA	941	941	100%	689	73%	451	48%

14	MADHYA PRADESH	22,812	22,768	100%	7,141	31%	5,904	26%
15	MAHARASHTRA	27,879	27,660	99%	11,960	43%	8,350	30%
16	MANIPUR	161	71	44%	42	26%	40	25%
17	ODISHA	6,798	6,776	100%	1,761	26%	1,727	25%
18	PUNJAB	13,263	13,251	100%	5,299	40%	3,359	25%
19	RAJASTHAN	11,341	11,335	100%	4,899	43%	4,058	36%
20	SIKKIM	185	184	99%	52	28%	47	25%
21	TAMIL NADU	12,525	12,509	100%	6,616	53%	5,258	42%
22	TELANGANA	12,769	12,769	100%	5,156	40%	5,132	40%
23	TRIPURA	591	591	100%	150	25%	150	25%
24	Uttar Pradesh	58,766	58,766	100%	57,680	98%	43,999	75%
25	UTTARAKHAND	7,791	7,610	98%	3,360	43%	2,214	28%
26	WEST BENGAL	3,340	2,514	75%	1,010	30%	882	26%
	Total	2,55,144	2,44,611	96%	1,27,961	50%	1,01,996	40%

State wise progress on Audit Online for the audit period 2020-21

As on Date: 31-01-2022

Sr. No.	States	Gram Panchayat						
		Total No. of GP	Auditees Registered		GPs with Audit Plans		Audit Reports Generated (Audit Completed)	
		No.	No.	%	No.	%	No.	%
1	Andhra Pradesh	13,371	12,795	96%	13,181	99%	10,616	79%
2	Arunachal Pradesh	2,108	89	4%	31	1%	-	0%
3	Assam	2,197	2,195	100%	2,031	92%	22	1%
4	Bihar	8,177	8,177	100%	967	12%	93	1%
5	Chhattisgarh	11,658	8,407	72%	2,338	20%	1,547	13%
6	Goa	191	49	26%	-	0%	-	0%
7	Gujarat	14,257	12,397	87%	2,946	21%	791	6%
8	Haryana	6,233	6,217	100%	-	0%	-	0%
9	Himachal Pradesh	3,615	3,229	89%	1,684	47%	1,409	39%
10	Jammu And Kashmir	4,290	2,759	64%	2,617	61%	687	16%
11	Jharkhand	4,351	4,351	100%	150	3%	-	0%
12	Karnataka	5,973	5,973	100%	4,743	79%	2,747	46%
13	Kerala	941	941	100%	466	50%	227	24%
14	Madhya Pradesh	22,741	22,741	100%	4,964	22%	351	2%
15	Maharashtra	27,891	27,660	99%	9,943	36%	1,548	6%
16	Manipur	161	71	44%	-	0%	-	0%
17	Meghalaya	-	-	-	-	-	-	-
18	Mizoram	834	656	79%	-	0%	-	0%
19	Nagaland	-	-	-	-	-	-	-
20	Odisha	6,798	6,776	100%	6,771	100%	5,920	87%

21	Punjab	13,263	13,251	100%	2,011	15%	586	4%
22	Rajasthan	11,341	11,335	100%	5,985	53%	2,937	26%
23	Sikkim	185	184	99%	120	65%	70	38%
24	Tamil Nadu	12,525	12,509	100%	11,837	95%	11,547	92%
25	Telangana	12,769	12,769	100%	12,769	100%	12,769	100%
26	Tripura	1,178	591	50%	322	27%	237	20%
27	Uttar Pradesh	58,189	58,189	100%	47,471	82%	732	1%
28	Uttarakhand	7,791	7,610	98%	-	0%	-	0%
29	West Bengal	3,340	2,514	75%	60	2%	-	0%
	Grand Total	2,56,368	2,44,435	95%	1,33,407	52%	54,836	21%

7.12 When asked about the number of Gram Panchayats that have audited their annual accounts by Audit Online application of MoPR and steps that have been taken by Ministry to ensure its compliance, Ministry in its reply has stated that:

“In terms of Article 243J, Audit of Accounts of Panchayats comes within the purview of States. The Legislature of a State may, by law, make provisions with respect to the maintenance of accounts by the Panchayats and the auditing of such accounts. Considering that the XV FC, in its interim report for FY 2020-21, laid down strong emphasis on ensuring timely availability of audited accounts of the PRIs online, as a critical reform agenda to strengthen the financial management system of the Panchayats, Ministry of Panchayati Raj conceptualized and developed an application called Audit Online for online audits of Panchayat accounts. It was launched in April, 2020 for facilitating the audit of accounts of Panchayats/RLBs so as to ensure transparency and accountability in utilization of Central Finance Commission Grants etc for mandated developmental activities in rural areas.

The number of Gram Panchayats whose accounts have been audited for FY 2019-20 in AuditOnline is 1,05,039 (as on 2.3.2022) and the number or RLBs whose accounts have been audited for FY 2020-21 in AuditOnline is 70,867 (as on 2.3.2022). The requirement of the audit of RLBs through Audit Online is followed up by MoPR with the States on continuous basis through review meetings and discussions.

To ensure compliance of States towards the AuditOnline, several online training sessions were provided to the end users, i.e., Auditors of State Directorate Local Fund Audit units. During the year 2020-21, 39 online/virtual trainings were provided to the States on AuditOnline, as requested by the State Panchayati Raj Departments and State Local Fund Auditors. Also, video tutorials (both in English and Hindi) were developed and were shared with the States. Standard Operating Procedure (SOP) for AuditOnline, highlighting the various features of the application was also developed and made available to all the States. The State of Telangana was identified as the National Lead State for first achieving this target within the stipulated time frame. The State Audit Department of Telangana was also requested to provide handholding support to other State Audit Departments/Directorate Local Fund Audits”.

7.13 When asked about the role of Ministry of Panchayati Raj in devolution of FFC grants and audit of those grants, Secretary, MoPR during course of evidence has stated that:

“सर, इसमें दो-तीन चीजें हैं। फाइनेंस मंत्रालय जो धनराशि रिलीज करती है, वह स्टेट गवर्नमेंट के खाते में जाती है। उसके बाद राज्य सरकार से 10 या 14 कार्य दिवसों के भीतर वह धनराशि पंचायतों को स्थानान्तरित हो जानी चाहिए। अगर वह 10 दिन के अंदर नहीं हुआ, तो जितना विलम्ब होता है, उसका इंटेस्ट उनको जमा करना पड़ता है। इसके बाद जब वह ट्रांसफर हो जाती है, तो उसका यूसी स्टेट गवर्नमेंट के पंचायती राज विभाग के अधिकारियों द्वारा साइन होकर हमारे पास आता है। यह देखना कि वह समय से गया या नहीं, जो भी कंडीशन्स वित्त मंत्रालय अपने गाइडलाइन्स में डालता है, उस कंडीशन्स का पालन हुआ या नहीं, इसकी संस्तुति करना पंचायती राज मंत्रालय का काम होता है।

सर, मैं बताना चाहता हूँ कि 15वें वित्त आयोग से इसको अनिवार्य किया गया। वर्ष-2020 में हमने ऑनलाइन ऑडिट की व्यवस्था को जारी किया, क्योंकि वर्ष-2020 का जो ऑडिट हो रहा है उसमें हमने आपको बताया कि 65 हजार ग्राम पंचायतों का ऑडिट हो गया है। अब समिति किसी भी राज्य में जाना चाहेगी, तो वहां की पंचायतों तथा सैपल डिस्ट्रिक्ट्स की ऑडिट रिपोर्ट क्या हैं, उनको यहीं से आपको उपलब्ध करा दी जाएगी।”

7.14 Ministry was asked about the Gram Panchayats that have implemented Social Audit for audits of their accounts, Ministry has provided the following information:

“Social Audit of works/activities out of Fourteenth Finance Commission Grants have been carried out in Jharkhand (1500 GPs), Madhya Pradesh (763 GPs) and Karnataka (5446 GPs).

Ministry of Panchayati Raj with the assistance of NIRDPR has also framed Guidelines for Social Audit of Fifteenth Finance Commission Grants Utilization by Rural Local Bodies’ and communicated to the States in FY 2021-22 for undertaking Social Audit of works/activities already undertaken by RLBs with XV FC Grants”.

Part-II**Recommendations/Observations****Demands for Grants (2022-23)**

The Committee note that Demands for Grants (2022-23) of Ministry of Panchayati Raj was laid on the Table of the House on 4th February, 2022 proposing a sum of Rs.868.57 crore for financial year 2022-23. The Committee have examined the same and their observations/ recommendations have been set out in the succeeding paragraphs.

1. The Committee while examining the year-wise allocation and amount released under the schemes of Ministry of Panchayati Raj, find that in 2020-21, Rs.690.00 crore was allocated against a budget estimate of Rs.900.94 crore. Similarly, in 2021-22, Rs.868.38 crore has been allocated at revised estimates stage against a budget estimate of Rs.913.43 crore. On the issue of drastic reduction in allocation funds at RE stage, MoPR has stated that Ministry of Finance had imposed cut on the budget estimates and allocated reduced amounts at revised estimates stage. During the course of evidence, Secretary, MoPR has also echoed the same views. Needless to mention here that sharp cuts in the budgetary allocation would handicap the Ministry in effective implementation of the schemes i.e. RGSA and SWAMITVA which are of great significance for strengthening Panchayati Raj Institutions. Thus, adequate allocation under them becomes essential to focus on capacity building of Panchayati Raj Institutions and Rural Development. The committee feel that the budget estimates of 2022-23 at Rs.868.57 crore including Rs.593 crore for RGSA, seems low with reference to their proposals. In the absence of adequate funds, the schemes/programme under taken by the Ministry would be adversely affected. The Committee therefore, strongly recommend that the Ministry of Panchayati Raj should take up the matter with Ministry of Finance to allocate adequate funds as per the proposed requirement of

the Ministry. At the same time, the Committee also recommend Ministry of Finance to spare MoPR from proposing cut on expenditure during 2022-23 onwards considering the fact that the Ministry is allocated meager budget for lakh of Panchayats. The Committee would like to be apprised of the progress made in this regard.

(Recommendation Sl. No. 1)

- 2. The Committee note that in the financial years of 2018-19, 2019-20 & 2020-21, Ministry of Panchayati Raj (MoPR) had surrender BE amount due to cut imposed by the Ministry of Finance at the RE stage. However, the Committee note with serious concern that the Ministry could not even spend the amount sanctioned at the RE stage and surrendered Rs.30.08 crore, Rs.1.74 crore and Rs.2.93 crore in 2018-19, 2019-20 & 2020-21 respectively. It reflects, laxity and lack of proper action plan on the part of the Ministry as it could not completely spend the funds allocated to it at the RE stage. All these facts, clearly speak about the poor performance of the Ministry in utilization of limited fund allocated to them. The Committee, therefore, feel that the Ministry could not achieve its avowed objectives and targets set for various schemes and programmes unless the funds are utilized by the Department optimally and effectively. Therefore, Committee recommend that the Ministry should take all efficacious efforts to utilize their funds on the heads envisaged by them in demand for grants for 2022-23 in order to avoid over surrendering even for small unspent amount. The Committee would like to be apprised of the progress made in this regard.**

(Recommendation Sl. No. 2)

Rashtriya Gram Swaraj Abhiyaan(RGSA)

3. **Rashtriya Gram Swaraj Abhiyan (RGSA) is flagship scheme of Ministry of Panchayati Raj, aimed at strengthening PRIs for achieving Sustainable Development Goals (SDGs) with main thrust on convergence with Mission Antyodaya and emphasis on strengthening PRIs in the 117 Aspirational Districts. The Committee note that the scheme has both State and Central components. Sharing pattern is in the ratio of 60:40 except NE and Hilly States and UT of J&K where Central and State Ratio is in the proportion of 90:10. For other UTs, it is 100% centrally funded. The Central component is 100% funded by Centre. However, analysis of release of funds to the States/UTs reflects a grim picture of apathy towards its objectives. There has been a huge gap in the approved plans vis-a-vis released funds under this scheme. Data provided by the Ministry shows that 432.90 crore fund has been released against 3213.13 crore approved in the year 2019-20, further 499.93 crore has been released against 3337.87 crore approved in 2020-21 and 518.06 crore has been released against 4480.22 crore in 2021-22. The Committee is concerned to note that non-release/untimely release of the sanctioned funds to the States/UTs after approval of their annual action plans (AAPs) by the Central Empowered Committee defeats the very purpose of the RGSA to make Panchayati Raj Institutions efficient, effective and transparent grass roots institutions. The Committee is given to understand that the Ministry has observed laxity and reluctance on the part of States in fulfilling conditions (in which non-release of corresponding share by the States is one of them) attached to release of funds result in delayed or non-release of funds to states/UTs. The Committee, however, note that the Ministry has not even released amount in previous years of 2019-20, 2020-21 & 2021-22 to the UTs such as Andaman & Nicobar Islands where 100 per cent share is from Central Government. Under the current set-up, the Committee observe that fund for RGSA has been grossly underutilized.**

Considering the importance of the scheme the Committee recommend that to achieve the objectives of RGSA, Ministry should take proactive measure in streamlining the paperwork by reducing the number of requirement of documents and simplify the procedure of releasing funds to the States/UTs. The Committee are of the firm view that in order to achieve the basic objectives of the RGSA, the Ministry should take a lenient approach and proactive measures to release adequate funds. The Committee is given to understand that the scheme of RGSA is demand driven in nature and its release of funds remained depend on timely submission of Annual Action Plans, liquidation of unspent balance, submission of requisite documents, State share release etc by the States/UTs. The committee are of the view that in further extension of RGSA several reforms are needed. One of these reforms may be active Involvement of local Members of Parliament. Needless to mention here that Members of Parliament are representatives of people, well versed with local needs of their areas. They are critical in providing crucial inputs regarding local needs for policy formulation. Their active involvement in programmes/schemes of Ministry of Panchayati Raj will make these programmes effective and catering to the local needs. The Committee would like to be apprised of the progress made in this regard.

(Recommendation SI. No. 3)

4. RGSA has been envisaged as a scheme for transformation of Panchayati Raj Institutions. It aims to make PRI's a tool of democratic decentralization. However, due to non-release of sanctioned amounts to the states/UTs under the scheme owing to various reasons, its objective of bringing in improvements in functioning of Panchayats has not been realised fully. During the course of evidence, the Secretary, MoPR informed the Committee that MoPR had requested the Ministry of Finance to make RGSA a Central Sector Scheme. However, Ministry of Finance has declined the request. In this regard, making RGSA a

Central Sector Scheme will make it eligible for 100 percent funding from Central Government and funds will be released without corresponding release of state's share. This will make release of funds expeditious and swift. This will enable States/UTs to utilize the funds for capacity building to Panchayati Raj Institutions. These funds may be utilized by the states for making PRIs efficient and effective institutions of Rural Development. The Committee, therefore recommend that the RGSA may be made a Central Sector Scheme. Ministry of Panchayati Raj should again take up the matter vigorously with Ministry of Finance citing the crucial role of RGSA envisaged in achieving Sustainable Development Goals and impress upon them to explore the possibility of making it a Central Sector Scheme. The Committee would like to be apprised of the progress made in this regard.

(Recommendation Sl. No. 4)

5. Restructured RGSA scheme is aimed at capacity building of Panchayati Raj Institutions. Under RGSA, Ministry of Panchayati Raj supplements the efforts of the States, through its scheme of Rashtriya Gram Swaraj Abhiyan (RGSA) on limited scale. The Committee note that Ministry in its reply has informed that around 50917 GPs/Traditional Bodies are without GP Bhawan out of 271179 GPs/Traditional Bodies. The Committee are of the view that Gram Panchayat Bhawans are basic infrastructural prerequisite for any Gram Panchayats to function as an effective tools of participatory democracy. However, the Committee are distressed to note that the still significant number of Gram Panchayat have to function without any basic infrastructure like Panchayat Bhawans. The Committee, has time and again emphasized the need to construct Panchayat Bhawans and therefore, recommend that top priority should be give to the Construction of Panchayat Bhawans in

those Gram Panchayats which are working without Bhawans. Considering the importance of the project, the Committee strongly recommend that adequate funding with an advance roadmap should be made with yearly targets fixed and constant monitoring to have a Gram Panchayat Bhawan at each village left-out. The Committee would like to be apprised of the progress made in this regard.

(Recommendation SI. No. 5)

Incentivization of Gram Panchayats

6. Ministry of Panchayati Raj (MoPR) has been incentivizing best performing Panchayats/States/UTs since the year 2011 on the basis of developed evaluation criteria/parameters under the Incentivization of Panchayats Scheme. It provides awards in different categories to the Panchayats for their initiatives and achievements on set criteria. These initiatives undertaken by the Gram Panchayats and their achievements should be well publicised so that other Gram Panchayats are also motivated to launch similar initiatives. It will also enhance healthy competition among the Gram Panchayats. The Committee, therefore, recommend that Information dissemination of best practices and initiatives of Gram Panchayats should be given wide publicity so that other Gram Panchayats can follow. The Committee are constrained to note that the funds for Incentivisation of Panchayats given in recognition to their good work done for improving of delivery of services and public goods has been stagnant and the level of number of awards given has hardly increased during the last three years i.e. 2020-21 onwards from Rs. 47.00 crore to Rs.50.00 crore even when the expenditure has been almost full. The Committee, therefore, feel that amount on this scheme be suitably revised with commensurate increase in number of Awards to be given to Panchayats. The Committee would like to be apprised of the progress made in this regard.

(Recommendation SI. No.6)

Mission Mode on E-Panchayat

7. e-Panchayat is one of the Mission Mode Projects (MMP) under the Digital India programme of Government of India that seeks to transform the functioning of Panchayati Raj Institutions (PRIs), making them more transparent, accountable and effective as last mile cutting edge organs of decentralized local self-governments. The Committee are however, constrained to note that funds for most prominent scheme of Mission Mode on e-Panchayats with the object of automation of Panchayat work through e-Gram Panchayats and other Application has remained unchanged at Rs.20.00 crore from 2018-19 to 2022-23. Not only this, in all these years, the low level of funds have been downsized also leading to lower utilisation. The Committee note that as against BE of Rs.20.00 crore, Rs.15.50 crore and Rs.20.00 crore and Rs.20.00 crore in 2018-19, 2019-20, 2020-21 and 2021-22, at RE stage reduced fund amounting to Rs.11.91 crore, Rs.7.5 crore, Rs.17.82 crore and Rs.11.71 crore was provided respectively. The Committee feel reduction at RE stage does not serve the object of the scheme with less response from grassroot levels. In this connection, the MOPR has laboured to convince the Committee that currently 2.61 lakh PRIs have prepared their Panchayat Development Plans for 2021-22 and 2.19 lakh GPs have on boarded on e-Gram Swaraj PFMS Inter Face and 1.81 lakh GPs have undertaken online transactions. The Committee feel that for full automation of PRIs adequate funds be made available to PRIs expeditiously. The Committee are of the firm view that reduction of budgetary amount year after year at the revised stage shows that either there is faulty planning under the Digital India Programme for Panchayats or the Ministry of Finance is not serious enough to increase the capacity building of Gram Panchayats, in order to have easy access of documents to the residents of each Panchayat under the Digital India Programme.

(Recommendation Sl. No. 7)

Digitization of Gram Panchayats

8. The Committee's examination has revealed that in August, 2015 under Pillar 3 of Digital India Programme, Government of India launched 'Common Service Centre (CSCs) 2 Project' to expand the outreach of CSCs to all Gram Pachayats (GPs) across the country that aimed to set up at least one CSCs in every GP thereby envisaging to set up 2.55 lakh CSCs covering all GPs of the country over a period of four years with Department of Telecommunications (DoT) to connect Rural Local Bodies (RLBs) by broadband internet connections. The Ministry aims to leverage Common Service Centres (CSCs) in realizing the objective of Smart Governance and provision of online services. It has signed a MoU with CSC to achieve this objective on 21st August, 2019. The MoU inter alia provides that CSCs would be co-located in the Gram Panchayat Bhawans and would be offering the various G2G, B2B and B2C services to rural public. However, the Committee constraint to note glaring irregularities in the functioning of CSCs during its study visit to the State of Maharashtra (Amaravati, Chandrapur and Nagpur) in the month of August 2021. The Committee inter alia observed that most of the CSCs were not collocated in the Gram Panchayats, internet infrastructure deployed in the Panchayat Bhawan was not functional, there was no board affixed outside to provide information to the people at large about the services provided by CSCs and at which rates, 10 to 15 documents were being issued on monthly basis, delay in payment of salary to the operator, etc. Further, on rough calculation, it was found that a print out at CSC centre is costing Rs. 3,682/-. The Committee were astonished to note that MoPR was totally unaware of the above ground realities. 'Panchayats' being the State subject, it never made a genuine effort to ascertain the actual position at the State level by conducting a formal independent enquiry and it has heavily relied on the reports and facts furnished by CSCs. The Committee, therefore, strongly recommend that a high level taskforce may be set-up with a mandate to conduct in-depth examination of

functioning of CSCs co-located in the Gram Panchayat Bhawans for which payment is being made through government exchequer. It may be ascertained as to how far it has been able to achieve the objectives enshrined in the MoU. The Committee would also like the task force to understand the different models being followed in different states and come out with a possible cost effective alternative option of creating digital Panchayats. The Committee trusts and expects that the taskforce would conduct a thorough and independent study of services being provided by the CSCs and submit its report within a period of three months from the date of presentation of the Report. The Committee would like to be apprised of the effective steps taken by the Ministry in this regard.

(Recommendation Sl. No. 8)

9. The Committee notes that a letter dated 03rd September 2019 had been issued by the Secretary, MoPR to Principal Secretary/Secretary, Panchayati Raj of all the States, wherein, while citing the MoU signed between MoPR and CSC e-Governance Services India Limited dated 21st August 2019 and advised to all the States to enter into MoU with CSC-SPV for using their services towards Smart Governance and digital India, etc. Further, for this purpose, States may utilize funds provided to the States under various schemes viz. RGSA for computerization, deployment of Technical human resource, Fifteenth Finance Commission (FFC) component of Operation and Maintenance (10%) grants which are available with the Gram Panchayats. Consequently, 3 States i.e. Madhya Pradesh, and Uttarakhand entered into MoU with CSC and Maharashtra extended its earlier MoU signed with CSC on 17th November 2016. During the course of evidence, the Secretary, MoPR was candid enough to accept the fact that the programme has been a non-starter and the experience has not been good. He further admitted that the MoU entered by CSC-SPV with the States of Madhya Pradesh and Uttarakhand has not

been made operational due to various reasons and Uttar Pradesh has rejected the proposal of CSC and declined to sign the MoU, citing high cost of services offered by CSC. The Committee has also observed irregularities in the functioning of CSCs during its study visit to Maharashtra. During the course of evidence, Secretary also informed the committee that of late, many complaints have also been received from the state of Maharashtra as well. He further added that in reality, not even one-fourth CSCs have been collocated in Gram Panchayat Bhawan i.e. less than 50,000 throughout India and most of the CSCs are functioning from the private centres in the market. He further assured the Committee that the Ministry would revisit the whole process to ascertain the factual position. During the Course of evidence, it was informed that a presentation was made before the Secretary, MoPR by CEO, CSC-SPV on digitization of Panchayati Raj and thereafter, the Joint Secretary, MoPR had visited 3 villages in Pune District. Subsequently, the letter dated 03rd September 2019 was issued by the Secretary, MoPR. The Committee acknowledged the candid submission of the Ministry with regards below benchmark performance of CSC-SPV in the State of Maharashtra. The Committee is, therefore, of the considerate view that under the current scheme of things, the vision of the Ministry of Panchayati Raj to usher in and realize the aim of Smart Governance and providing online services both of Government and non-government is far to be achieved. The Committee are of the view that it was not rational on the part of the Ministry to issue an advisory for the State Government without conducting an impartial and independent inquiry, to ascertain the factual position in the different parts of the state of Maharashtra and not just Pune, which is one of the leading tech-savvy districts of Maharashtra. Thus, in the light of study visit of the Committee to different parts of Maharashtra, the Committee are of the view that it would not be prudent on the part of MoPR to continue MoU with CSC. The Committee, therefore, strongly recommend that the Ministry that the letter dated 03rd

September, 2019 issued by the Ministry of Panchayati Raj to the Principal Secretary/Secretary, Panchayati Raj of all States may be withdrawn forthwith and issue appropriate communication to all the States, in this regard. The Committee would like to be apprised of the action taken in this regard.

(Recommendation Sl. No. 9)

10. It came out before the Committee that in these Common Services Centres (CSCs) are getting about Rs.1.50 lakh per annum from the State Government of Maharashtra. In return are unable to render the promised services the beneficiaries under MOUs signed and are merely handing over Birth and Death Certificates to rural population. Besides, CSCs have claimed funds for stationary items even during the lock down period. The Committee during the Study Visit to Maharashtra were apprised by the officials that CEOs of Zilla Parishad of Chandrapur and Wardha districts of Maharashtra have fined the CSC SPV for irregularities noticed in the working of CSCs co-located at the Gram Panchayats viz. Non establishment of Centres, non repairs and replacement of hardware on time, Kendrachalak (Data entry operator) remained absent frequently or not performing duties as expected, etc. The Committee take serious exception to this plunder of public money at the hands of erring CSCs. The Committee recommend that all these cases of false claims of public money not only in Maharashtra and other States be thoroughly probed and erring CSCs officials be brought to book at the earliest. The Committee are of the firm view that an enquiry Committee be set up to enquire into functioning of CSCs Committed to provide facilities to Gram Panchayats in Maharashtra. Accordingly, the Ministry may take corrective measures to have a meaningful utilization of funds from Government exchequer and explore the possibility of refund to the Gram Panchayats. The Committee would like to be apprised of the progress made in this regard.

(Recommendation Sl. No. 10)

11. Government of India envisions India to be a Digitally Inclusive and empowered society where large sections of rural population are able to benefit from new technologies, can access and share information and services freely and participate in the development process more effectively. The Ministry of Panchayati Raj have envisaged “Digitization of Gram Panchayats” with the objective of setting up at least one self sustainable Common Service Centre in each Gram Panchayat (GP) across the country. In pursuant of this objective, a Memorandum of Understanding was signed between Ministry of Panchayati Raj and CSC e-governance services Ltd. (CSC-SPV) on the 21st August, 2019. Subsequently, an advisory was issued by the Secretary, MoPR vide letter dated 3rd September 2019 to all the States to develop synergy between Common Service Centers and Gram Panchayats to establish Digital Bhawans. In this background, two States i.e. Madhya Pradesh, and Uttarakhand entered into MoU with CSC, whereas, Maharashtra extended its earlier MoU which was signed with CSC on 17th November 2016. The Committee on thorough examination of various provision of MoU, had arrive to the conclusion that under the MoU there has been paramount role and responsibility assigned to MoPR with regard to monitoring and review progress of the project. As per the provision 7.4 of the MoU, MoPR was duty bound to nominate a Nodal officer, who shall be overall in-charge of the project to monitor and review progress of this project with the States. Further, as per provision 7.6 of the MoU, MoPR had to constitute Project Monitoring and Steering Committee (PMSC) comprising of officials from MoPR, CSC-SPV and nominated States. It shall have oversight and monitoring functions and shall provide guidance for the smooth operation of the project. The Steering Committee would also review progress and initiate suitable timely advisory/instructions to the States/UTs. The Committee are constrained to note that Ministry had made no effort to nominate nodal officer for this purpose. Despite having a crucial role, the MoPR in its reply has again

and again emphasised on 'Panchayat' being the State subject and digitization of Panchayats thereto primarily being the responsibility of the States and always tried to pass the buck to the States. The Ministry has, however, failed to impress the Committee with its evasive replies in this regard. The Committee are not satisfied with the explanation of the Ministry on the issue. There is nothing on records to suggest that the Ministry has taken its role seriously. The Committee, therefore, recommend the Ministry to revisit its role and responsibilities assigned to it in the MoU and come out with a concrete roadmap to deal such issues under the cooperative federal Structure where both Centre and States come together and resolve the common problems with each other's' cooperation. The Committee would like to be apprised of the progress made in this regard within three months after presentation of this report.

(Recommendation Sl. No. 11)

SWAMITVA

12. Survey of Villages and Mapping with Improvised Technology in Village Areas (SVAMITVA) aims to provide the 'record of rights' to village households. It will facilitate issuing of property cards to owners resulting in monetization of rural residential assets for credit and other financial services. The Committee have been informed during evidence that 106,978 villages in 100 districts across 11 states have completed the drone flying in all inhabited villages and 36,56,173 property cards have been distributed in 28,072 village across 8 states. Further, 357 Continuous Operating Reference System (CORS) network have been established under the Scheme by September 2022 providing a network of reference stations that allows access to long-range, high-accuracy in demarcation of land. The Committee are happy to observe the earnest efforts made by the Ministry in this regard as it will aid in socio economic development of rural households. Further, Committee have also been apprised of the challenges which has affected the scheme like

unavailability of sufficient drones, bad weather conditions such as floods, high winds etc., Scheduled elections in few States, restrictions imposed due to COVID-19 pandemic, paucity of field level manpower etc. The Committee, in this regard, trust and expect that the Ministry will continue to make more sustained and proactive efforts to remove the cited hindrance. However, considering the importance of the project, the Committee recommend Ministry of Finance should provide adequate funds to the scheme so that the project may be expedited and an advance roadmap may be made by fixing realistic targets to achieve desired result. The Committee would like to be apprised of the action taken in this regard.

(Recommendation Sl. No. 12)

Devolution of untied grants of Fifteenth Finance Commission (FFC)

13. FFC in its recommendations have outlined duly constituted PRIs by the States as one of the condition for devolution of funds to the Gram Panchayats. Secretary, MoPR during the Course of Evidence has apprised the Committee that several states such as Madhya Pradesh are lacking in this aspect and are not conducting regular elections. In these States, elections are not being held and the conditions of FFC related to this are not followed. Secretary further stated that, Ministry of Finance ignore their recommendation to not devolve funds to such states. The Committee therefore, recommend that the Ministry should take up the matter with Ministry of Finance to not release funds to those states which have not constituted PRIs after regular elections as it is a basic Constitutional Provision. Simultaneously, Ministry of Panchayati Raj should take up the matter vigorously with the States and advise them to held regular elections and duly constitute PRIs for unrestricted flow of FFC grants. The Committee would like to be apprised of the progress made in this regard.

(Recommendation Sl. No. 13)

14. Article 280(3)(bb) of the Constitution of India stipulates that the Central Finance Commission shall make recommendations to the President regarding measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats in the State. In pursuance of this provision, Ministry has recommended successive Central Finance Commissions for enhanced financial devolution for Panchayats. The Committee have been informed that until Fourteenth Finance Commission Award, only Gram Panchayats were eligible for the grants. However, on recommendation of the Ministry, all three tiers of the Panchayats/ rural local bodies and traditional bodies are now eligible for grants under the Fifteenth Finance Commission (XV FC). The Committee are happy to observe the earnest effort made by the Ministry in this regard. Further, the Committee are given to understand that the Ministry of Panchayati Raj is the nodal Ministry for making recommendations to the Ministry of Finance (MoF) for release of Fifteenth Finance Commission (XV FC) Untied Grants to the Rural Local Bodies. During the course of evidence, Secretary, MoPR has accepted that that monitoring of FFC untied funds shall be looked after the Ministry of Panchayati Raj. The Committee, therefore recommend Ministry of Panchayati Raj to discharge their role effectively and also evolve a mechanism of constant monitoring of untied funds devolved to the States. The Committee would like to be apprised of the progress made in this regard.

(Recommendation Sl. No. 14)

15. Fifteenth Finance Commission in its recommendations for the period of 2021-2026 has stated that the States which have not constituted relevant State Finance Commission (SFC) must constitute it on or before March, 2024. After March, 2024, no grants shall be released to a State that has

not complied with the Constitutional provisions in respect of the SFC and other conditions have to comply to. The Committee note that it is the duty of MoPR to verify that the compliance to conditions related to the constitution of State Finance Commission and will have to be certified by the States in their Grant Transfer Certificates (GTCs) before making recommendation to Ministry of Finance for release of XV FC Grants. Further, the Committee note that the Ministry of Panchayati Raj has issued an advisory to the States in February, 2021 to comply with requirement for SFC, which will be followed up by MoPR for compliance before March, 2024 from which the condition becomes enforceable. The Committee, therefore recommend that, the Ministry should take up the matter with State Governments at the highest level and impress upon them for strict compliance of recommendation of FFC as non-compliance of it would severely affect the devolution of funds to Panchayati Raj Institutions. The Committee would like to be apprised of the progress made in this regard.

(Recommendation Sl. No. 15)

Ensuring Transparent, Accountable and Vibrant Gram Panchayats

16. Citizen Charter is a document that informs citizens about the service entitlements that they have as users of Public services, the standards they can expect for a service, grievance redressal mechanism available against non adherence to those standards and the procedures, cost, quality, timeframe and charges of a service. Citizen Charter is a tool to ensure accountability and transparency of Gram Panchayats. Citizen charter is one of the component of capacity building of Panchayati Raj institutions. The Committee note that out of 2.55 lakh Gram Panchayats, 2.00 lakh Gram Panchayats have prepared their Citizen Charter, out of which 1.96 lakh Gram Panchayat have approved their charter through Gram Sabha. It reflects a significant progress on Citizen Charters, however the Committee in its study visit to Maharashtra and Rajasthan undertaken in 2021 have encountered a

grim scenario in this regard. There were hardly any Gram Panchayat which had affixed Citizen Charters board displayed outside the gram Panchayat Bhawan. The Committee welcome the proactive measure taken by the Ministry as various states have stated preparing and uploaded citizen charters online, due to the initiative of Ministry of Panchayati Raj. Notwithstanding the position stated above, the Committee, feel that the directives in this regard are not being followed in letter and spirit at the grass root level. As it is a major component of bringing social accountability and transparency, the Committee therefore recommend MoPR to issue necessary guidelines in this regard for circulating it in all the States. The Committee expect that immediate necessary steps are taken to ensure Gram Panchayats not just prepare their Citizen Charters and upload online but also adhere to the time lines in letter and spirit and make wide publicity of them. The Committee would like to be apprised of the progress made in this regard.

(Recommendation Sl. No. 16)

17. To address critical institutional reform towards financial management, transparency and accountability, Ministry of Panchayati Raj launched the Audit Online application in April 2020 for carrying out online Audits of Panchayat accounts. The application also envisaged to streamline the process for audit inquiries, draft local audit reports, draft audit paras, etc. The Committee is given to understand that 50 per cent of the Gram Panchayats have audit plans and audit reports of 40 per cent Gram Panchayats have been generated for the audit period 2019-20 as on 31-01-2022. Similarly, for the audit period of 2020-21, as on 31-01-2022, 52 per cent of the Gram Panchayats have audit plans and audit reports of 21 per cent Gram Panchayats have been generated. As per the FFC recommendations, which have been approved by the cabinet as per which with effect from 2023-24, 100 per cent audit online has

been made compulsory for the Gram Panchayats. Needless to mention here that audit is significant tools in the hands of the Government to determine how the funds provided by the Government were actually used as per the prescribed norms by the Panchyats and to indentify factors that contribute to suboptimal use. It certifies the accounts of Panchayats and as representing true and fair picture of the PRI's affairs in public. However, the Committee during its various study visits in different parts of the Country have observed that audit panchyats are not been conducted in a time bound manner. Moreover, in view of the FFC recommendation, it is imperative that States should not undermine the importance of conducting audit of Panchayats regularly. The Committee, therefore, recommend that the Ministry of Panchayati Raj should take up the matter with State Governments at the highest level and impress upon them to timely conduct audit of accounts of Gram Panchayats with the Audit Online application of MoPR and fulfil the conditions of FFC. The Committee would like to be apprised of the progress made in this regard.

(Recommendation Sl. No. 17)

18. During the course of evidence, the Committee were apprised by the Secretary that MoPR is the nodal ministry for the devolution of untied grants of FFC to Panchayati Raj Institutions at all three tiers. The Committee are of the view that the role of being the nodal agency of FFC untied funds should not be restricted to just ensuring that the funds transferred to the State Governments by the Centre has been provided to the Panchayati Raj Institutions or not just whether States have fulfilled the conditions laid out by FFC in its recommendations. The Committee are of the strong view that Ministry should play an effective role in devolution of funds and not just restrict itself to a nominal role of recommending transfer of funds. Keeping in view of the assessment as to whether funds to the Panchayats for the welfare

schemes of villages are being prudently used as per norms fixed by the Government, the Committee had expressed time and again on the aspect of constraint faced in getting a certified copy of audit report of the Panchyats during its Study visits. The Committee, therefore, recommend that the Ministry should take up the matter proactively with State Governments and also with the Ministry of Finance at the highest level and impress upon them to provide a copy of certified Audit Reports of Panchayats for scrutiny and to ensure that funds are utilized prudently. The Committee would like to be apprised of the progress made in this regard.

(Recommendation Sl. No. 18)

NEW DELHI;
14 March, 2022
23 Phalgun, 1943 (Saka)

PRATAPRAO JADHAV
Chairperson,
Standing Committee on Rural Development and
Panchayati Raj

Annexure I**STANDING COMMITTEE ON RURAL DEVELOPMENT & PANCHAYATI RAJ**
(2021-2022)

MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE HELD ON TUESDAY, 22nd
FEBRUARY, 2022

The Committee sat from 1100 hrs. to 1345 hrs. in New Committee Room '1',
Parliament House Annexe Extension Building, Block – 'A' (EPHA – 'A'), New Delhi.

PRESENT

Shri Prataprao Jadhav -- *Chairperson*

MEMBERS**Lok Sabha**

2. Shri A.K.P. Chinraj
3. Shri Sukhbir Singh Jaunapuria
4. Dr. Mohammad Jawed
5. Shri Narendra Kumar
6. Shri Janardan Mishra
7. Shri Talari Rangaiah
8. Smt. Gitaben Vajesingbhai Rathva
9. Smt. Mala Rajya Laxmi Shah
10. Shri Vivek Narayan Shejwalkar
11. Dr. Alok Kumar Suman

Rajya Sabha

12. Shri Dineshchandra Jemalbhai Anavadiya
13. Shri Shamsheer Singh Dullo
14. Shri Ajay Pratap Singh

Secretariat

1. Shri D. R. Shekhar - Joint Secretary
2. Shri A. K. Shah - Director
3. Shri Nishant Mehra - Deputy Secretary

Representatives of the Ministry of Panchayati Raj

- | | | | |
|-----|-----------------------------|---|--|
| 1. | Shri Sunil Kumar | - | Secretary |
| 2. | Dr. Chandra Shekhar Kumar | - | Additional Secretary |
| 3. | Ms. Leena Johri | - | Additional Secretary & Financial Advisor |
| 4. | Dr. Bijaya Kumar Behera | - | Economic Advisor |
| 5. | Shri Khushwant Singh Sethi | - | Joint Secretary |
| 6. | Shri Alok Prem Nagar | - | Joint Secretary |
| 7. | Ms. Rekha Yadav | - | Joint Secretary |
| 8. | Shri R.D. Chouhan | - | CCA |
| 9. | Shri Kamlesh Kumar Tripathi | - | Director |
| 10. | Shri Sudhanshu Mahapatra | - | Scientist B |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened for taking the evidence of the representatives of the Ministry of Panchayati Raj in connection with the examination of Demands for Grants (2022-23) relating to Ministry of Panchayati Raj.

[Witnesses were then called in]

3. After welcoming the witnesses, the Chairperson drew the attention of the Ministry that whatever the discussions held here would be treated as confidential and not to be made public till the Report of the Committee is presented to Parliament. The Chairperson then broadly mentioned about the scheme-wise funds proposed/allocated by the Ministry for the year 2022-23 under different Panchayati Raj schemes and requested the Secretary to brief the Committee thereon. Thereafter, the Secretary, Ministry of Panchayati Raj made a Power Point Presentation *inter-alia* highlighting allocations viz. utilisation of funds in different years so far alongwith the budgetary allocation for the year 2022-23 and the initiatives taken under different schemes like RGSA, SWAMITVA etc.

4. Thereafter, the Members raised queries on issues ranging from inadequacy of budget for different schemes/projects, its impact on the implementation of the schemes and the progress made by the Department in this regard, which were responded to by the witnesses.

5. The Chairperson then thanked the representatives of the Ministry of Panchayati Raj and asked them to furnish written information on points raised by the Members on which the replies were not readily available as soon as possible, to this Secretariat.

[The Witnesses then withdrew]

A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**STANDING COMMITTEE ON RURAL DEVELOPMENT & PANCHAYATI
RAJ (2021-2022)**

**MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE HELD ON
MONDAY, THE 14 MARCH, 2022**

The Committee sat from 1500 hrs. to 1600 hrs. in New Committee Room No.'2', Parliament House Annexe Extension Building, Block - 'A' (PHA-Ext. 'A'), New Delhi.

PRESENT

Shri Prataprao Jadhav -- *Chairperson*

MEMBERS

LOK SABHA

15. Shri A.K.P. Chinraj
16. Shri Vijay Kumar Dubey
17. Shri Sukhbir Singh Jaunapuria
18. Dr. Mohammad Jawed
19. Shri Nalin Kumar Kateel
20. Shri Narendra Kumar
21. Shri Janardan Mishra
22. Smt. Gitaben Vajesingbhai Rathva
23. Smt. Mala Rajya Laxmi Shah
24. Shri Vivek Narayan Shejwalkar
25. Dr. Alok Kumar Suman
26. Shri Shyam Singh Yadav

RAJYA SABHA

27. Shri Dineshchandra Jemalbai Anavadiya
28. Shri Shamsheer Singh Dullo
29. Shri Iranna Kadadi
30. Shri Rathwa Naranbhai Jemlabhai
31. Shri Ram Shakal
32. Shri Ajay Pratap Singh

SECRETARIAT

- | | | |
|-----------------------|---|------------------|
| 4. Shri D. R. Shekhar | - | Joint Secretary |
| 5. Shri A. K. Shah | - | Director |
| 6. Shri Nishant Mehra | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened for consideration of three Draft Reports of the Committee on Demands for Grants (2022-23) in respect of XXX XXX XXX, XXX XXX XXX and Ministry of Panchayati Raj and XXX XXX XXX.

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

- (i) XXX XXX XXX XXX;
- (ii) XXX XXX XXX XXX;
- (iii) Demands for Grants (2022-23) of the Ministry of Panchayati Raj; and
- (iv) XXX XXX XXX XXX.

4. Draft Reports were taken up for consideration one-by-one and after discussion, the Committee adopted the above Draft Report without any modifications. The Committee then authorized the Chairperson to finalize the aforesaid Draft Reports and present the same to the Parliament.

The Committee then adjourned.

XXX Not related to the Draft Report