

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

**28**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF PANCHAYATI RAJ**

*[Action taken on the Observations/Recommendations contained in Twenty Fourth Report on  
'Demands for Grants' (2022-23) pertaining to Ministry of Panchayati Raj.]*

**TWENTY-EIGHTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

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Presented to Lok Sabha on 03.08.2022

Laid in Rajya Sabha on 03.08.2022



**LOK SABHA SECRETARIAT**

**NEW DELHI**

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\* Not Attached

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

**Shri Prataprao Jadhav -- Chairperson**

**MEMBERS**

***Lok Sabha***

2. Shri Sisir Kumar Adhikari
3. Shri C. N. Annadurai
4. Shri A.K.P Chinraj
5. Shri Rajveer Diler
6. Shri Vijay Kumar Dubey
7. Shri Sukhbir Singh Jaunapuria
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12. Shri Janardan Mishra
13. Shri B.Y. Raghavendra
14. Shri Talari Rangaiah
15. Smt. Gitaben Vajesingbhai Rathva
16. Smt. Mala Rajya Laxmi Shah
17. Shri Vivek Narayan Shejwalkar
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20. Dr. Alok Kumar Suman
21. Shri Shyam Singh Yadav

***Rajya Sabha***

22. Shri Dineshchandra Jemalbhai Anavadiya
23. Smt. Shanta Chhetri
24. Shri Iranna Kadadi
25. Dr. Wanweiroy Kharlukhi
26. Shri Naranbhai J. Rathwa
27. Shri Ram Shakal
28. Shri Bashistha Narain Singh
29. Shri Ajay Pratap Singh
30. Shri M. Mohamed Abdulla
31. -vacant-

**Secretariat**

1. Shri D. R. Shekhar - Joint Secretary
2. Dr. Yumnam Arun Kumar - Additional Director
3. Shri Nishant Mehra - Deputy Secretary
4. Shri Arjun Choudhary - Committee Officer

## INTRODUCTION

I, the Chairperson of the Standing Committee on Rural Development and Panchayati Raj (2021-2022) having been authorised by the Committee to present the Report on their behalf, present the 28<sup>th</sup> Report on the action taken by the Government on the recommendations contained in the Twenty Fourth Report of the Standing Committee on Rural Development and Panchayati Raj (17<sup>th</sup> Lok Sabha) on Demands for Grants (2022-23) of the Ministry of Panchayati Raj.

2. The Report was presented to the Lok Sabha on 16<sup>th</sup> March 2022 and was laid on the Table of Rajya Sabha on the same date. Replies of the Government to all the recommendations contained in the Report were received on 09.06.2022. Since, the replies of the Ministry to the recommendation nos. 8 to 11 of the Committee were found vague and evasive, the Committee had asked the Ministry to revise its replies related to recommendation nos. 8 to 11 and received revised replies on 17.06.2022.

3. The Report was considered and adopted by the Committee at their sitting held on 28.07.2022.

4. An analysis of the action taken by the Government on the recommendations contained in the Twenty Fourth Report (17<sup>th</sup> Lok Sabha) of the Committee is given in **Appendix-III**.

**NEW DELHI;**  
**28 July, 2022**  
**06 Shravana, 1944 (Saka)**

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

## CHAPTER I

### REPORT

This Report of the Standing Committee on Rural Development and Panchayati Raj (2021-22) deals with the action taken by the Government on the Observations/Recommendations contained in their Twenty Fourth Report (Seventeenth Lok Sabha) on 'Demands for Grants' (2022-23) pertaining to Ministry of Panchayati Raj'.

2. The Twenty Fourth Report was presented to Lok Sabha on 16<sup>th</sup> March 2022 and was laid on the Table of Rajya Sabha on the same date. The Report contained 18 Observations/Recommendations.

3. Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received from the Government. These have been examined and categorized as follows:-

(i) Observations/Recommendations which have been accepted by the Government:

Serial Nos. 1, 2, 4, 5, 7, 12, 13, 14, 15, 16, 17, 18

Total: 12

Chapter-II

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

Total: NIL

Chapter-III

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee: Serial Nos. 3, 6, 8, 9, 10, 11

Total: 6

Chapter-IV

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

Total: NIL

Chapter-V

4. The Committee trust that utmost importance will be given to the implementation of the recommendations accepted by the Government. In case where it is not possible for any reasons to implement the recommendations in letter and spirit, the matter shall be reported to the Committee with reasons for non-implementation. The Committee desire that Final Action Taken Notes on the Observations/ Recommendations contained in Chapter I of this Report may be furnished to the Committee within three months of the presentation of this Report.

5. The Committee will now deal with action taken by the Government on some of their Observations/Recommendations that require reiteration or merit comments.

I. **Discrepancy between approved plans and released funds under Rashtriya Gram Swaraj Abhiyan (RGSA)**

**Recommendation (Serial No. 3)**

6. With regard to discrepancy between approved plans and released funds under RGSA, the Committee had recommended as under:-

“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.”

7. The Ministry of Panchayati Raj in their action taken reply have stated as under:-

“It is submitted that the quantum of release of funds under the scheme of RGSA during 2021-22 depended on the unspent balance available with the State, utilization certificate and physical-financial progress reports furnished etc. and also on compliance of Department of Expenditure instruction dated 23rd March, 2021 regulating the release of funds under the Centrally Sponsored Schemes and further instruction thereupon. During the large period of the year States/UTs were under the process to comply the said DoE instructions. The States/UTs which had unspent balances could not get full funds, thus resulting in the huge gap between sanctioned and released amounts. The funds to the UT of Andaman & Nicobar Islands could not be released due unspent balance of previous year exceeding the releasable amount. The Ministry appreciates the view expressed by the esteemed Committee about the involvement of Members of Parliament etc. in the programmes/schemes of the Ministry of Panchayati Raj in making them effective. It is worthwhile to note that the National Steering Committee constituted for providing overall guidance and policy directions for the scheme of RGSA/Revamped RGSA includes Ministers of different Central Ministries as well as Minister of State Panchayati Raj Departments, eminent person working in the field of Panchayati Raj, Elected Representatives of Panchayats etc.

Further, the State Advisory Committee to be constituted in the States for periodical review of implementation of the scheme in the respective states will inter alia include Ministers of line Departments in the States eminent person working in the field of Panchayati Raj, Elected Representatives of Panchayats

etc. It may be observed there from, that there is ample provision for taking into account the feedback of Public Representatives in Implementation of the scheme.”

**8. The Ministry of Panchayati Raj in their reply have simply outlined the reason for the huge gap between sanctioned and released amounts for Rashtriya Gram Swaraj Abhiyan (RGSA) scheme due to unspent balance without delineating the possible means to address the issue. The Committee feel that the reasons should have been analyzed to take suitable corrective measures accordingly. Moreover, the Committee are surprised that reply of the Ministry is completely silent on the issue with regard to streamlining of paperwork and the simplification of the procedure for release of adequate funds to the States/UTs which the Committee had raised in their Report. The Committee are of the view that as there has been grossly underutilization of funds, it becomes more imperative that the Ministry need to introspect their role as a facilitator and enabler to address the issue but unfortunately this has not been done. While observing that RGSA being the flagship scheme of the Ministry with vital components such as construction of Panchayat Bhawans, Computerization, deployment of technical human resource, etc. the Committee recommend that the Ministry ought to exhibit better approach and seriousness in the matter as the impactful implementation of this scheme means strengthening democracy at the grass- root level.**

## **II. Construction of Gram Panchayat Bhawans under RGSA**

### **(Recommendation Serial No.5)**

**9. Regarding the construction of Gram Panchayat Bhawans under RGSA, the Committee had recommended as under:-**

“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 given 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.

10. The Ministry of Panchayati Raj in their action taken reply have stated as under:-

“The Ministry in all earnestness is seized of the concern expressed by the esteemed Committee to provide each Gram Panchayat / Rural Local Body a building of its own. The Ministry has also been making all out efforts to provide financial assistance to the maximum possible limit to States / UTs for this purpose. Under the scheme of RGSA, constructions of approximately 9,273 GP Bhawans were approved. It is also worthwhile to mention that construction of Gram Panchayat Bhawan was also taken up as a component of Garib Kalyan Rozgar Abhiyan (GKRA) launched by the Government for employment generation and creation of durable infrastructure in rural areas in the States of Bihar, Jharkhand, Madhya Pradesh, Odisha, Rajasthan and Uttar Pradesh. As per reports available, a total of 1,347 GP Bhawans have been constructed during GKRA period. Further, as per information received from the State of Uttar Pradesh, against the requirement of 58189 Gram Panchayats in the State prior to June 2020, a total of 33577 Gram Panchayat Bhawans existed. After June 2020, including the GKRA period, the State Government has constructed 21900 Panchayat Bhawans. As such, as on date, 55477 Panchayat Bhawans now exist in the State and efforts are being made by the State Government for construction of remaining 2712 Panchayat Bhawans. Similarly, all the States have been asked to bridge the entire deficits of Panchayat Bhawans.

In addition, the Untied Grants of the Fifteenth Finance Commission (XV FC) can be utilized for all felt needs under the 29 subjects enshrined in the Eleventh Schedule of the Constitution and thus it would also cover construction and repair of GP Bhawans in the rural areas, as one of the permissible activities under XV FC mandated activities by Rural Local Bodies (RLBs). XV FC Tied Grants can also be utilised for water and sanitation related works for Panchayat Bhawans.

With a view to expedite saturation in this direction, a Joint Advisory was issued to States / UTs by Secretary of this Ministry and that of Ministry of Rural

Development on 10.06.2020 requesting for construction of GP Bhawans utilizing various resources under convergence mode viz. Unspent 14<sup>th</sup> Finance Commission, 15<sup>th</sup> Finance Commission untied grants, MGNREGS funds and other funds from State Finance Commission (SFC) / Own Source Revenue (OSR) etc. In furtherance, vide D.O. letter dated 07.01.2021 of this Ministry, all States/UTs have also been requested to undertake / concerted efforts to bridge the infrastructure deficit regarding GP Bhawans by utilizing various resources at their level. States/UTs have also been advised to examine the possibility of creating a cluster of contiguous GPs for construction of GP Bhawans where the size of GPs is small. It has also been advised to States that while creating new GPs, the States should simultaneously make provision for creation of GP Bhawan also through available resources under central schemes or from the State Budget or OSR of the Panchayats. Further, under the Revamped scheme of RGSA provision has also been made for providing financial assistance to States/ UTs for construction of new GP building with/ and community hall with focus on North Eastern States.

With the above mentioned approaches, it is expected that the deficit in GP Bhawans is likely to be abridged to a great extent.”

**11. The Committee has time and again emphasized the need to provide each Gram Panchayat a building of its own and have strongly recommended that all out effort have to made to bridge the infrastructural deficits by expediting construction of Panchayat Bhawans in the Gram Panchayats that are still to have Panchayat Bhawans. While appreciating the various measures taken by the Ministry to overcome the deficit, yet the Committee note from the reply of the Ministry that there are still significant number of Panchayat Bhawans which are yet to see light of the day. The Committee, feel that Ministry cannot feel to be contented till last Panchayat Bhawan is constructed and be made operational in all respect and therefore, recommend that concerted effort be made to review the deficits in all States and take suitable corrective measures to ensure its timely completion and to make Panchayats self reliant.**

**The Committee note from the reply of the Ministry that a Joint Advisory has been issued to States/UTs by Secretary of Ministry of Panchayati Raj and that of Ministry of Rural Development on 10 June 2020 requesting for construction of GP Bhawans**

utilizing various resources under convergence mode viz. Unspent 14<sup>th</sup> Finance Commission, 15<sup>th</sup> Finance Commission untied grants, MGNREGS funds and other funds from State Finance Commission (SFC)/Own Source Revenue (OSR) etc. In furtherance, in January 2021 all States/UTs have also been requested to undertake concerted efforts to bridge the infrastructure deficit regarding Gram Panchayat Bhawans by utilizing various resources at their level. Besides, States/UTs have also been advised to examine the possibility of creating a cluster of contiguous GPs for construction of Gram Panchayat Bhawans where the size of Gram Panchayats are small. The Committee would like to be informed of the outcome of these initiatives.

**III. Allocation of funds and number of awards under 'Incentivization of Panchayats'**  
**(Recommendation Serial No.6)**

12. With regard to allocation of funds and number of awards under 'Incentivization of Panchayats', the Committee had recommended as under:-

“The 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.”

13. The Ministry of Panchayati Raj in their action taken reply have stated as under:-

“For creating greater awareness and motivation among Panchayats across the country for National Panchayat Awards, vigorous efforts are made in collaboration with States/ Union Territories (UTs), inter-alia, for publicity through print, electronic media and other platforms. Further, the awardees under National Panchayat Awards are conferred awards on the occasion of National Panchayati Raj Day (NPRD) celebrated on 24<sup>th</sup> April annually. NPRD function is a widely publicized National Level event which is well attended (virtually or physically) by Union and States Ministers, high level dignitaries and the representatives from various Panchayats across the country apart from the ones selected for the awards. This celebration highlights and propogates the achievements/best practices of Panchayats and also role of Panchayats in overall governance and development.

Incentivization of Panchayats scheme has been approved as a central component of the revamped Rashtriya Gram Swaraj Abhiyan(RGSA) scheme with a budgetary provision of Rs.50.00 crores for the financial year 2022-23. Interventions are being made to further improve and rationalize the National Panchayat Awards with establishing a multi-level pyramidal structure of competition at National, State/UT, District and Block level and aligning the Awards/themes to Sustainable Development Goals (SDGs). In addition to the budgetary provision by the Ministry for incentivization of Panchayats, initiatives are being taken to collaborate with line Ministries/Departments for sponsoring these awards keeping in view that the Panchayats play a pivotal role in implementing flagship schemes/programmes for attainment of SDGs.”

**14. Taking into account that conferring National Panchayat Awards as laudable initiative to recognize good work and best practices the Committee in their Report had recommended for increasing the number of awards and also for revision in the budgetary allocation. The Committee note from the reply of the Ministry that interventions are being made to further improve and rationalize the National Panchayat Awards by establishing a multi-level pyramidal structure of competition at National, State/UT, District and Block level and aligning the Awards/themes to Sustainable Development Goals (SDGs). In addition to getting sponsorship of these awards, concrete efforts also be made by the Ministry for generating additional source of funds to motivate the best work and practices of the Panchayats. Further, initiatives are being**

taken to collaborate with line Ministries/Departments for sponsoring these awards keeping in view that the Panchayats play a pivotal role in implementing flagship schemes/programmes for attainment of SDGs. The Committee while appreciating these steps would like to be informed regarding fructification of the same.

**IV. Constitution of a High Level Task Force to examine Digitization of Gram Panchayats**

**(Recommendation Serial No.8)**

15. Regarding constitution of a High Level Task Force to examine Digitization of Gram Panchayats, the Committee had recommended as under:-

“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 Panchayats (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 though government exchequer. It may be ascertain 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 state and come out with a possible cost effective alternative option of creating digital Panchayats. The Committee trust and expect 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 apprised of the effective steps taken by the Ministry in this regard.”

16. The Ministry of Panchayati Raj in their action taken reply have stated as under:-

“A Task Force to review the working of CSCs collocated in GPs (ASSKs) in the State of Maharashtra constituted under the chairmanship of Joint Secretary (Governance), MoPR by MeitY.

The 1st meeting of the Task Force was held on 17th May, 2022 to examine the effectiveness of the services delivered by CSCs co-located in GP Bhawans. In the light of the findings, the continuation of the MoU between MoPR and CSC-SPV, which is an advice to the State to effect bilateral MoU with CSC-SPV, shall be critically examined. Its role in improving delivery of the services at the grassroots level shall form the basis.”

17. On being asked to revise their reply, the Ministry of Panchayati Raj in their revised action taken reply have submitted as under:-

“A Task Force to review the working of CSCs collocated in GPs (ASSKs) in the State of Maharashtra constituted under the chairmanship of Joint Secretary (Governance), MoPR by MeitY.

The 1st meeting of the Task Force was held on 17th May, 2022 to examine the effectiveness of the services delivered by CSCs co-located in GP Bhawans. Second Meeting is due on 21st June, 2022.

In the light of the findings of the Task Force, the continuation of the MoU between MoPR and CSC-SPV, which is an advice to the State to effect bilateral MoU with CSC-SPV, shall be critically examined. Its role in improving delivery of the services at the grassroots level shall form the basis.

The Task Force shall also examine the models being followed in other States and then recommend action to ensure that the best support services are provided to the GPs in the most effective manner.”

**18. Taking note of glaring irregularities in the functioning of Common Service Centres (CSCs) during its study visit to the State of Maharashtra (Amravati, Chandrapur, Nagpur, etc.) in the month of August 2021, the Committee strongly recommended to set-up a high level Task Force for in-depth examination of functioning of CSCs co-located in the Gram Panchayat Bhawans. The Committee expected that Ministry would submit its report within a period of three months from the date of**



presentation of the Report on Demands for Grants (2022-23). However, the expected action was not complimented by the Ministry. Further, it is quite exasperating to note that the Ministry submitted inconsiderate, vague and evasive replies to the well thought and pinpointed recommendations of Committee. It seems that the well deserved rapt attention on the part of the Ministry was lacking and the Ministry has time and again shown a very indifferent and callous attitude on taking corrective measure especially with respect to the Digitization of Gram Panchayats.

The initial reply submitted by the Ministry states that a Task Force has been constituted by the Ministry of Electronics and Information Technology to review the working of CSCs collocated in GPs under the chairmanship of Joint Secretary (Governance), Ministry of Panchayati Raj. The Committee are dismayed to note that the first meeting of the Task Force was held only on 21<sup>st</sup> June 2022 i.e. after the 2 months of presentation of the Report in the Parliament. Moreover, the Task Force has been sluggish in its approach, it has only held two meetings and have not even concluded its findings. Subsequently, during the sitting of the Committee, the Secretary had put forth his request to grant extra time of three months for the Task force to review and submit its report. The Committee are of strong view that the Task Force, at this glacial pace, will find it hard to wind up even within next 3 months as well. The Committee, therefore, strongly recommend the Ministry to take concrete steps and find ways and means to finish up the task in hand expeditiously. The Committee are astonished to note that report of Joint Secretary (MoPR), which formed the background for the Ministry to enter into MoU with CSC, was compiled in just one day after visiting two Gram Panchayats of Pune districts on 20.07.2019. It is the legitimate expectation of the

**Committee from the Ministry that instead of repeating such sketchy study and stereotype reply, they will ensure that Task Force would thoroughly probe each and every issue in detail and come out with an objective report so that Panchayat can serve the rural people in realistic manner. The Committee would like to reserve its comment till submission to Report by the Task Force.**

**V. Withdrawal of advisory issued to the States under Digitization of Gram Panchayats**

**(Recommendation Serial No.9)**

19. Regarding the withdrawal of advisory to the States issued by the Ministry under Digitization of Gram Panchayats, the Committee had recommended as under:-

“The Committee note 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 21<sup>st</sup> August 2019 and advised to all the States to enter into MoU with CSCSPV 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 Bhawans 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.”

20. The Ministry of Panchayati Raj in their action taken reply have stated as under:-

“A Task Force to review the working of CSCs collocated in GPs (ASSKs) in the State of Maharashtra has been constituted under the chairmanship of Joint Secretary (Governance), MoPR.

The utility of the MoU signed between MoPR& CSC-SPV would also be evaluated by this committee.”

21. On being asked to revise their reply, the Ministry of Panchayati Raj in their revised action taken reply have stated as under:-

“A Task Force to review the working of CSCs collocated in GPs (ASSKs) in the State of Maharashtra has been constituted under the chairmanship of Joint Secretary (Governance), MoPR. Vide MEITY’s O.M dated 22.4.2022.”

**22. The Committee have time and again apprised the Ministry of the dismal ground reality of Digitization of Panchayats taken up by CSC-SPV in the State of Maharashtra, witnessed during the Study Visit. The Committee after considering the astonishing fact shared by the Secretary (MoPR) that the MoU entered by CSC-SPV with the States of Madhya Pradesh and Uttarakhand could not be made operational due to various reasons and other States like Uttar Pradesh has declined to sign the MoU, *inter-alia***

recommended to take action on two major points i.e. to withdraw advisory issued to States *vide* letter dated the 3<sup>rd</sup> September 2019 and to decide whether to continue MoU with CSC e-Governance Services Limited or not.

From the Action Taken Replies furnished by the Ministry, the Committee note that the Ministry of Panchayati Raj has left everything on the Task Force to decide. The Secretary has categorically accepted the fact that the programme has been a non starter and its experience has not been good. But later on, due to facts not shared with the Committee, Secretary during the sitting of the Committee appeared satisfied with Common Service Centres and expressed constraints to withdraw Ministry's advisory dated 3<sup>rd</sup> September 2019. The Committee are anguished to note that the Ministry just focused on issuing advisory and didn't make any efficacious effort to cross check with ground reality. Given the fact that report of the Task Force is pending, the Committee recommend the Ministry to take appropriate action, on the basis of final outcome of the Report and inform the Committee accordingly.

**VI. Thorough probe in the functioning of CSCs in Maharashtra and other States**

**(Recommendation Serial No.10)**

23. On the issue of thorough probe in the functioning of CSCs in Maharashtra and other States, the Committee had recommended as under:-

“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."

24. The Ministry of Panchayati Raj in their action taken reply have stated as under:-

"The funding for operationalization of CSCs and their day to day working is as per the MoU signed between State Government and CSC. No funds are provided by MoPR for operating CSCs. Hence, MoPR has no direct control over the day to day functioning of the CSC."

25. The brief response of the Ministry on being asked to revise the reply is produced as under:-

"Reply date 09.06.2022 retained."

**26. Taking serious exception to the plunder of public money at the hands of erring CSCs in the State of Maharashtra, the Committee *inter-alia* recommended the Ministry to take suitable measures to stop misappropriation of funds and put brake to this inefficacious use of Panchayat's funds in the hand of erring CSC officials.**

**The Committee are anguished to note that the Ministry in their Action Taken Replies have again shed its responsibility on the States by stating that that it does not have control over the day to day working of the CSCs as per the MoU signed between State Government and CSC e-Governance Services Ltd. The Committee are of the view that Ministry is not serious enough to implement the very important recommendation of the Committee or deliberately trying to avoid addressing the issue by citing technical**

loopholes of MoU. It is a matter of fact that Government of Maharashtra has agreed to grant extension to the Agreement with CSC-SPV relying on the advisory dated the 3<sup>rd</sup> September 2019, issued by Ministry of Panchayati Raj, which the Ministry of Panchayati Raj is reluctant to withdraw it either. On careful examination of MoU provisions entered into by MoPR and CSC-SPV, the Committee noticed that specific roles and responsibilities have been assigned to the Ministry. Thus, the Ministry can't escape scot free by citing MoU or by shedding its responsibility on the State Government. The Ministry has failed to impress the Committee by covering the wrongdoings of CSC with its one-liner replies. The Committee understands the limitation of the Ministry in the State affairs as "local government" being the State Subject and, therefore, it never expected the Ministry to directly meddle with the State affairs. But, least it could have issued an advisory to the States, instead of just being a mute spectator to the misappropriation of funds happening in the State of Maharashtra. The Committee, therefore, strongly recommend the Ministry to immediately issue an advisory to the State Government that all such cases of false claims of public money not only in Maharashtra and other States be thoroughly probed and accountability of the erring CSCs officials be fixed at the earliest and recoveries, if any against CSCs, be claimed and deposited back in the Government exchequer, immediately.

**VII. Roles and Responsibilities of the Ministry of Panchayati Raj under Memorandum of Understanding for Digitization of Gram Panchayats**

**(Recommendation Serial No.11)**

27. With regard to Roles and Responsibilities of the Ministry of Panchayati Raj under Memorandum of Understanding for Digitization of Gram Panchayats, the Committee had recommended as under:-

“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.”

28. The Ministry of Panchayati Raj in their action taken reply have stated as under:-

“The Ministry has been continuously following up with the States for co-location of CSCs in Panchayat Bhawans. A Project Monitoring & Steering Committee for active Bharatnet Connection and CSC Co-location has been

constituted under the Chairmanship of Additional Secretary, MoPR with members from DoT, MeitY, CSC-SPV etc.

Moreover, financial incentives upto Rs. 5 Lakhs is also being provided to the States under the Ministry's umbrella Rashtriya Gram Swaraj Abhiyaan (RGSA) scheme for co-location of CSCs in Gram Panchayat offices.

Further, various consultation meetings have been conducted and advisories written to the States in this regards."

29. On being asked to revise their reply, the Ministry of Panchayati Raj in their revised action taken reply have stated as under:-

"The Ministry has been continuously following up with the States for co-location of CSCs in Panchayat Bhawans. A Project Monitoring & Steering Committee for active Bharatnet Connection and CSC Co-location has been constituted under the Chairmanship of Additional Secretary, MoPR with members from DoT, MeitY, CSC-SPV etc.

Moreover, financial incentives upto Rs. 5 Lakhs is also being provided to the States under the Ministry's umbrella Rashtriya Gram Swaraj Abhiyaan (RGSA) scheme for co-location of CSCs in Gram Panchayat offices.

Further, various consultation meetings have been conducted and advisories written to the States in this regard. The high-level Task Force is examining the issue. The Committee shall be duly apprised of the progress made."

**30. The Committee observed that appointment of a Nodal Officer for monitoring of the programme was a crucial responsibility assigned to the Ministry of Panchayati Raj under bilateral MoU entered with CSC e-Governance Services Limited. However, it never made an effort to appoint it, which left CSCs functioning unmonitored by any central agency to a large extent. It seems that the Ministry was in a hurry to enter in agreement with CSC e-Governance Services Limited, but it never expected to undertake the responsibility of oversight and monitoring functions as outlined in its MoU. The Committee note with deep concern that non-appointment of Nodal Officer is a major lapse on the part of the Ministry and even Joint Secretary (MoPR) agreed to it during the deliberations of the Committee. Furnishing evasive and inconclusive replies time and again to justify itself depicts lack of seriousness with which the issue has been dealt**



with by the Ministry. The Committee are of considerate opinion that there is hardly any substance in the Action Taken Reply submitted by the Ministry which can convince the Committee that the Ministry had effectively performed its vital responsibility of oversight and monitoring assigned to it by the Ministry. Inconclusively, the Ministry has reiterated that Task Force is examining the issue. The Committee note that the Ministry should give a considerable thought to the fundamental aspects of the programme. The Committee are of the view that the Ministry cannot shed its responsibility and shift onus on States stating that the role of the Ministry is advisory in nature. Therefore, the Committee reiterate that the Ministry should revisit its role and responsibilities and with a concrete roadmap to deal such issues under the cooperative federal Structure. The Committee would like to be apprised of the effective steps taken by the Ministry in this regard.

**VIII. Inadequate funds and unrealistic targets under SVAMITVA**  
**(Recommendation Serial No.12)**

31. With regard to inadequate funds and unrealistic targets under SVAMITVA, the Committee had recommended as under:-

“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 that 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.”

32. The Ministry of Panchayati Raj in their action taken reply have stated as under:-

“Funds under the SVAMITVA Scheme are proposed as per the rates approved in the Expenditure Finance Committee (EFC) meeting held on 15<sup>th</sup> February, 2021 Chaired by Secretary, Department of Expenditure. The Scheme has been approved for five years (2020-2025) with financial outlay of Rs.566.23 crores. Quarterly Property Card targets are set for the Scheme. Refer **Annexure** for details.

The target may need to revisit based on the availability of drones, on-boarding of remaining States on Scheme, unforeseen conditions and Property card generation process:-State Governments are responsible for generation of Property cards after following due objection/dispute resolution periods wherein anyone can object the demarcation/ rights on property. Different States have different objection periods as per their State Acts/ Rules: it varies from 10 days to 3 months.”

**33. Survey of Villages and Mapping with Improvised Technology in Village Areas (SVAMITVA) aims at providing ‘record of rights’ to village households is a very ambitious Central Sector Scheme of the Ministry. However, the Committee note that though the Ministry has well formulated the scheme but has not put up commensurate efforts to achieve the objectives. The scheme in its brief stint has not achieved much of its intended targets due to reasons stated by the Ministry such as non availability of drones, non-boarding of several States on Scheme, unforeseen conditions and stagnant Property card generation process. The Committee were also apprised of such issues in its study visits to various States. The Committee are dismayed to note that the Ministry have set huge unrealistic cumulative targets covering all the States without even acceptance of the scheme by many States. Therefore, the Ministry should analyse**

its targets and achievements hitherto made. There is a need of persistent and concerted efforts by the Ministry on various issues with active participation of all stakeholders such as States, Gram Panchayats and Survey of India. The Committee are of the opinion that the Ministry should work on boarding of remaining States on priority considering the objectives of the scheme. The Ministry should also remove the other bottlenecks such as non availability of drones. The Committee feel that the Ministry should have realistic targets in consonance with State Acts/Rules. Therefore, the Committee conclude that there is a need of revisiting of the targets with delineating the objectives of the SWAMITVA scheme.

**IX. Devolution of untied grants of Fifteenth Finance Commission (FFC) to States not having duly constituted Panchayati Raj Institutions (PRIs)**

**(Recommendation Serial No.13)**

34. With regard to devolution of untied grants of FFC to States not having duly constituted PRIs, the Committee had recommended as under:-

“Fifteenth Finance Commission 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.”

35. The Ministry of Panchayati Raj in their action taken reply have stated as under:-

“While making recommendations for release of installment of Fifteenth Finance Commission (FFC) Untied Grants to Ministry of Finance (MoF), MoPR duly follows the guidelines which stipulate, inter alia, that the grants are to be provided only to the duly constituted Rural Local Bodies (RLBs).

In April, 2022 Chief Ministers of States where due elections to the RLBs are pending have been requested to complete the election process expeditiously. **Copies of these letters are enclosed.”**

**36. Untied Grants of the Fifteenth Finance Commission (FFC) released on the recommendations of the Ministry of Panchayati Raj are the basic grants which facilitate Rural Local Bodies to take up works as per local and location specific felt needs. In the FFC recommendations for 2021-26, “duly constituted Panchayati Raj Institutes (PRIs)” has been made a condition prerequisite for release of these grants. Considering the importance of untied grants for improving basic services in the rural areas, the Committee are of the considerate opinion that no PRI be deprived as a result of non-compliance of this condition. The Committee appreciate the proactive steps taken up by the Ministry by writing letters to the various States by emphasizing on timely holding of Panchayat Elections in the States. However, letter simply mentions that “.. also impacts devolution of funds meant for the Panchayats”, but, somehow, non-release of FFC Untied Funds in case the above condition is unfulfilled, has not been adequately highlighted. Hence, the Committee strongly feel that the Ministry of Panchayati Raj, being the nodal Ministry for untied grants of FFC to States should rigorously follow-up the issue with the States by adequately emphasizing significance of strict compliance of condition prerequisite for the release of funds. The Committee would like to be apprised of the progress made in this regard.**

**X. Monitoring of untied funds of Fifteenth Finance Commission (FFC) devolved to the States**

**(Recommendation Serial No.14)**

37. Regarding the monitoring of untied funds of FFC devolved to the States, the Committee had recommended as under:

“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.”

38. The Ministry of Panchayati Raj in their action taken reply have stated as under:-

“The Rural Local Bodies (RLB) who are in receipt of the FFC Grants have been mandated to make all the financial transactions out of these grants only through the MoPR online platform of eGramSwaraj– PFMS. This would facilitate regular monitoring of the utilization of the FFC Grants by the RLBs.

In addition, Ministry had requested States in June, 2020 to constitute High Level Monitoring Committees (HLMCs) under the chairmanship of Chief Secretary and including the Finance Secretary and other concerned departmental secretaries to monitor and carry out concurrent evaluation of the local bodies receiving the grants to ensure that funds are utilized for the purpose recommended by the Finance Commission.

Further, for ensuring timely audit of Panchayat accounts i.e. receipts and expenditures of Gram Panchayats (GPs), Ministry has rolled out an online application – Audit Online(<https://auditonline.gov.in>). This application not only facilitates the auditing of Panchayat accounts but also provides for maintaining of audit records. This application seeks to streamline the process for audit inquiries, draft local audit reports, draft audit paras etc. and thus ensures proper maintenance of accounts by Panchayats to improve transparency, accountability and monitoring.”

**39. The Committee note that the Ministry of Panchayati Raj is the nodal Ministry for the devolution of untied grants of FFC to Panchayati Raj Institutions at all three tiers, the Committee, therefore, considered essential to evolve a mechanism wherein, Ministry can constantly monitor untied funds devolved to the States. As per the Action Taken Replies, the Ministry has mentioned two online platform i.e. eGramswaraj- PFMS and Audit Online to facilitate regular monitoring of utilization of FFC Grants and to facilitate auditing of Panchayats accounts, respectively. These online applications have been in existence for a while now, but the output seems to be on paper only. Despite, this online tool available with the Ministry, the Committee, have never been supplied with a copy of Audit Reports of Gram Panchayats by the Ministry, as and when asked for it. Similar scenario has been encountered during its various study visits to different Gram Panchayats. The Committee would, therefore, recommend the Ministry to make judicious use of the online tools available with them so as to really improve transparency, accountability and monitoring of the Panchayat's untied funds devolved to the States and take suitable measure to bring out audit reports in public domain. The Committee would like to be apprised of the actions taken in this regard.**

**CHAPTER II****RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY  
THE GOVERNMENT****Recommendation (Serial No. 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.

**REPLY OF THE GOVERNMENT**

“Revamped RGSA is the umbrella scheme of the Ministry. The allocation of funds for RGSA at BE stage during 2021-22 was Rs.593 crore. Keeping in view the committed liabilities and projection of activities during the remaining period of the financial year, the allocation of

funds at RE stage was enhanced to Rs.618 crore out of which Rs. 617.99 crore (99.99%) had been utilized up to 31.03.2022.

It is also brought out that CCEA has approved the Centrally Sponsored Scheme of Revamped RGSA on 13.04.2022 at an outlay of Rs.5,911 crore for implementation for four years i.e. from 2022-23 to 2025-26 (co-terminus with XV Finance Commission period). This includes Central share of Rs.3700 crore and State Share Rs.2211 crore. The outlay for the financial year 2022-23 as approved by CCEA under the State component of the scheme is Rs.762 crore. The Ministry envisages adopting following strategy for optimal utilization of funds during 2022-23:

Ministry is in process for timely approval of Annual Action Plans (AAPs) for the year 2022-23, the States/UTs have been asked to submit the AAPs at the earliest.

- Sharing of AAPs format/checklist and providing handholding support to States for formulation of AAPs.
- The states have been impressed upon to liquidate the unspent balance and that the priority in release of funds will be given to those states that have low unspent balance.
- Effectively taking up with the States/UTs for PFMS compliance, release of matching share, liquidation of unspent balances and submission of requisite documents viz. UCs etc. for release of funds to the maximum extent.
- Region/State-specific VCs also being undertaken for handholding of States/UTs.
- Rolling out of MIS and constant monitoring of the progress of approved activities.
- 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 modes as far as possible.

It is expected that through the above mentioned measures, Ministry will be able to utilize the funds allocated at BE stage. Further, additional requirement of funds as per projection of activities as approved in the CCEA note for the year 2022-23 will be met through supplementary demands for grants.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022



### **Recommendation (Serial No. 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.

### **REPLY OF THE GOVERNMENT**

“RGSA is the major scheme of the Ministry implemented through State Government to enhance the Capacity of Panchyati Raj Institutions. The Budget Estimate (BE) / Revised Estimate (RE) and actual expenditure during 2018-19, 2019-20, 2020-21 and 2021-22 (as on 31.03.2022) under the scheme of RGSA is given below:

**(Rs. in crore)**

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actual Expenditure</b>	<b>Exp. As % of RE</b>
2018-19	720.80	622.41	598.27	96.12
2019-20	762.34	432.96	432.90	99.99
2020-21	790.53	499.94	499.93	100.00
2021-22	593.00	618.00	617.99	99.99

In may be observed from the above that the expenditure under scheme for 3 years from 2019-20 was almost 100% of RE allocation. It may also be noted that during 2021-22, the allocation

under RGSA had been enhanced from Rs.593 crore to Rs.618 crore at RE stage, which has been fully utilized. The utilization of funds in States/UTs has apparently led to the actualization of approved activities. During 2018-19 the utilisation of fund was around 96%, as it was the first year of the implementation of the scheme, which faced various operational issues regarding operationalisation of budget heads and release of funds to the States.

As brought out in reply to Sl. No. 1, the Ministry through adoption of multi-pronged approach, strives to utilize the allocated funds optimally during the current year.”

O.M. No. H-11024/2/2022-Parl. Dated: 9<sup>th</sup> June, 2022

**(Recommendation Serial No. 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.

### **REPLY OF THE GOVERNMENT**

“As brought out above, the Ministry of Finance had not agreed to the proposal of this Ministry for changing the scheme into a Central Sector one. Subsequently, the Expenditure Finance Committee (EFC), while appraising the revised proposal for continuation of Revamped Scheme of RGSA beyond 31<sup>st</sup> March, 2022, recommended for its continuation during 2022-23 to 2025-26 as Centrally Sponsored Scheme. Thereafter, Cabinet Committee on Economics Affairs (CCEA) has also approved the revamped RGSA as Centrally Sponsored Scheme on 13.04.2022 at an outlay of Rs.5,911 crore for four years from 2022-23 to 2025-26 (co-terminus with XV Finance Commission period). This includes Central share of Rs.3700 crore and State Share Rs.2211 crore. The BE allocation under revamped RGSA for 2022-23 is Rs.676.20 crore to carry out the activities approved under revamped RGSA. As brought out in reply to SI. No. 1, the Ministry through adoption of multi-pronged approach, will strive to utilize the allocated funds optimally under the scheme by addressing the handicaps faced earlier.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

#### **(Recommendation Serial No.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.

### **REPLY OF THE GOVERNMENT**

“The Ministry in all earnestness is seized of the concern expressed by the esteemed Committee to provide each Gram Panchayat / Rural Local Body a building of its own. The Ministry has also been making all out efforts to provide financial assistance to the maximum possible limit to States / UTs for this purpose. Under the scheme of RGSA, constructions of approximately 9,273 GP Bhawans were approved. It is also worthwhile to mention that construction of Gram Panchayat Bhawan was also taken up as a component of Garib Kalyan Rozgar Abhiyan(GKRA) launched by the Government for employment generation and creation of durable infrastructure in rural areas in the States of Bihar, Jharkhand, Madhya Pradesh, Odisha, Rajasthan and Uttar Pradesh. As per reports available, a total of 1,347 GP Bhawans have been constructed during GKRA period. Further, as per information received from the State of Uttar Pradesh, against the requirement of 58189 Gram Panchayats in the State prior to June 2020, a total of 33577 Gram Panchayat Bhawans existed. After June 2020, including the GKRA period, the State Government has constructed 21900 Panchayat Bhawans. As such, as on date, 55477 Panchayat Bhawans now exist in the State and efforts are being made by the State Government for construction of remaining 2712 Panchayat Bhawans. Similarly, all the States have been asked to bridge the entire deficits of Panchayat Bhawans.

In addition, the Untied Grants of the Fifteenth Finance Commission (XV FC) can be utilized for all felt needs under the 29 subjects enshrined in the Eleventh Schedule of the Constitution and thus it would also cover construction and repair of GP Bhawans in the rural areas, as one of the permissible activities under XV FC mandated activities by Rural Local Bodies (RLBs). XV FC Tied Grants can also be utilised for water and sanitation related works for Panchayat Bhawans.

With a view to expedite saturation in this direction, a Joint Advisory was issued to States / UTs by Secretary of this Ministry and that of Ministry of Rural Development on 10.06.2020 requesting for construction of GP Bhawans utilizing various resources under convergence mode viz. Unspent 14<sup>th</sup> Finance Commission, 15<sup>th</sup> Finance Commission untied

grants, MGNREGS funds and other funds from State Finance Commission (SFC) / Own Source Revenue (OSR) etc. In furtherance, vide D.O. letter dated 07.01.2021 of this Ministry, all States/UTs have also been requested to undertake / concerted efforts to bridge the infrastructure deficit regarding GP Bhawans by utilizing various resources at their level. States/UTs have also been advised to examine the possibility of creating a cluster of contiguous GPs for construction of GP Bhawans where the size of GPs is small. It has also been advised to States that while creating new GPs, the States should simultaneously make provision for creation of GP Bhawan also through available resources under central schemes or from the State Budget or OSR of the Panchayats. Further, under the Revamped scheme of RGSA provision has also been made for providing financial assistance to States/ UTs for construction of new GP building with/ and community hall with focus on North Eastern States.

With the above mentioned approaches, it is expected that the deficit in GP Bhawans is likely to be abridged to a great extent.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

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

(Please see Paragraph No. 11 of Chapter I of the Report)

#### **(Recommendation Serial No.7)**

#### **Mission Mode on E-Panchayat**

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.

### **REPLY OF THE GOVERNMENT**

“Under total allocation for e-Panchayat MMP substantial financial assistance is for central level support towards operation & maintenance, development & training of e-Panchayat applications, faculty support and programme management. No funds are provided to PRIs or States directly under e-Panchayat MMP. NIC, NICSI is the technology partner of MoPR for e-Panchayat MMP.

There was a reduction in demand for handholding & capacity building on e-Panchayat applications from States due to restrictions imposed by COVID.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

### **(Recommendation Serial No.12)**

#### **SWAMITVA**

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 that 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.

### **REPLY OF THE GOVERNMENT**

“Funds under the SVAMITVA Scheme are proposed as per the rates approved in the Expenditure Finance Committee (EFC) meeting held on 15<sup>th</sup> February,2021 Chaired by Secretary, Department of Expenditure. The Scheme has been approved for five years (2020-2025) with financial outlay of Rs.566.23 crores. Quarterly Property Card targets are set for the Scheme. Refer **Annexure** for details.

The target may need to revisit based on the availability of drones, on-boarding of remaining States on Scheme, unforeseen conditions and Property card generation process:- State Governments are responsible for generation of Property cards after following due objection/dispute resolution periods wherein anyone can object the demarcation/ rights on property. Different States have different objection periods as per their State Acts/ Rules: it varies from 10 days to 3 months.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

**Comments of the Committee**

(Please see Paragraph No. 33 of Chapter I of the Report)

**(Recommendation Serial No.13)****Devolution of untied grants of Fifteenth Finance Commission (FFC)**

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.

**REPLY OF THE GOVERNMENT**

“While making recommendations for release of installment of Fifteenth Finance Commission (FFC) Untied Grants to Ministry of Finance (MoF), MoPR duly follows the guidelines which stipulate, inter alia, that the grants are to be provided only to the duly constituted Rural Local Bodies (RLBs).

In April, 2022 Chief Ministers of States where due elections to the RLBs are pending have been requested to complete the election process expeditiously. **Copies of these letters are enclosed.**”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

**Comments of the Committee**

(Please see Paragraph No. 36 of Chapter I of the Report)



**(Recommendation Serial No.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.

**REPLY OF THE GOVERNMENT**

“The Rural Local Bodies (RLB) who are in receipt of the FFC Grants have been mandated to make all the financial transactions out of these grants only through the MoPR online platform of eGramSwaraj– PFMS. This would facilitate regular monitoring of the utilization of the FFC Grants by the RLBs.

In addition, Ministry had requested States in June, 2020 to constitute High Level Monitoring Committees (HLMCs) under the chairmanship of Chief Secretary and including the Finance Secretary and other concerned departmental secretaries to monitor and carry out concurrent evaluation of the local bodies receiving the grants to ensure that funds are utilized for the purpose recommended by the Finance Commission.

Further, for ensuring timely audit of Panchayat accounts i.e. receipts and expenditures of Gram Panchayats (GPs), Ministry has rolled out an online application – AuditOnline(<https://auditonline.gov.in>). This application not only facilitates the auditing of Panchayat accounts but also provides for maintaining of audit records. This application seeks to streamline the process for audit inquiries, draft local audit reports, draft audit paras etc. and thus ensures proper maintenance of accounts by Panchayats to improve transparency, accountability and monitoring.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

### **Comments of the Committee**

(Please see Paragraph No. 39 of Chapter I of the Report)

### **(Recommendation Serial No.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 noncompliance 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.

### **REPLY OF THE GOVERNMENT**

“In pursuance of directions of the Committee, Secretary, Ministry of Panchayati Raj has written a D.O. letter dated 9<sup>th</sup> May, 2022 to Chief Secretaries of States to ensure due constitution of the State Finance Commissions (SFC) as well as facilitate their proper functioning. **The copy of the letter is enclosed.**”

O.M. No. H-11024/2/2022-Parl. Dated: 9<sup>th</sup> June, 2022

### **(Recommendation Serial No.16)**

#### **Ensuring Transparent, Accountable and Vibrant Gram Panchayats**

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.

### **REPLY OF THE GOVERNMENT**

“The vision of Ministry of Panchayati Raj (MoPR) is to make Local Governments more responsive, by defining the role of Panchayats in the delivery of key services to rural people, giving them the mandate as enshrined under article 243G of the Constitution of India.

In this endeavor, Ministry of Panchayati Raj carried out the ‘Meri Panchayat, MeraAdhikaar- Jan SevaayeinHamaareDwaar’ campaign from 01<sup>st</sup> July to 15<sup>th</sup> August, 2021 with an aim to have citizen charter approved by the respective Gram Sabhas in place, cataloguing the different categories of services rendered to the citizen by the Panchayat, the conditions for availing such services and also the time limit for such service.

The Citizen Charter would ensure transparent and effective delivery of public services for sustainable development and enhanced citizen service experiences; deepening inclusive and accountable Local Self Governments by incorporate diverse views while designing and delivering services.

During the course of the campaign, various consultative workshops and meetings were held with the States, and the campaign culminated with the signing of the Mysuru declaration by the States, which focused on Provision of Common Core Services at the grassroots level.”

O.M. No. H-11024/2/2022-Parl., Dated:9<sup>th</sup> June, 2022

### **(Recommendation Serial No.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.

### **REPLY OF THE GOVERNMENT**

“As per guidelines of Ministry of Finance (MoF) on XV FC recommendations, Rural Local Bodies (RLBs) have to mandatorily prepare and make available online, both provisional accounts of the previous year and the audited accounts of the year before previous, as entry level conditions to avail the grants. However, for the years 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 eGram Swaraj and Audit Online failing which grants will be released on pro-rata basis depending upon the number of bodies complying to these conditions.

The States have been asked to carry out the audit of the accounts for the expenditure incurred by the RLBs under both Fourteenth and Fifteenth Finance Commission on Audit Online. For the audit period 2019-20, all the States except Arunachal Pradesh, have completed the target of auditing 25% Gram Panchayats. For the Audit Period 2020-21, 1,08,532 Audit Reports have been generated (Telangana & Odisha have completed audit of 100% RLBs), while the remaining States are in the process of achieving the target.”

O.M. No. H-11024/2/2022-Parl. , Dated:9<sup>th</sup> June, 2022

**(Recommendation Serial No.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.

**REPLY OF THE GOVERNMENT**

“Constitutionally, the subject of auditing of accounts of Panchayats comes within the purview of State Governments. Article 243J of the Constitution of India provides that 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.

It may also be mentioned that, MoPR has been implementing the e-Panchayat Mission Mode Project aimed at automating Panchayat functions. With a vision to usher in digital Panchayats to empower & transform rural India, eGramSwaraj, a unified tool for effective monitoring and evaluation of works taken up in the Panchayats was launched by Hon'ble Prime Minister on National Panchayati Raj Day, 24<sup>th</sup> April, 2020. eGramSwaraj has been developed amalgamating all the functionalities of Panchayat functioning viz. planning, monitoring, accounting, online payment, asset management.

To, ensure better financial management of RLBs for enhancing transparency & accountability in maintenance of accounts, Ministry has integrated eGramSwaraj with Public Financial Management System (PFMS). eGramSwaraj– PFMS Interface (eGSPI) to enable real time payments to vendors/service providers. All transactions are secured, and payment vouchers are created using 2 factor authentications.

Further, there are several reports available in the public domain of eGramSwaraj website which provides various information such as (i) Scheme wise component expenditure, (ii) Unspent Balance report at PRI level, (iii) State wise Receipt & Expenditure reports etc. All these reports are generated based on the data entries done by the corresponding RLBs. The reports can be periodically viewed and analyzed by the stakeholders so as to know the exact position of the available funds, expenditure incurred under different categories etc.

Further, for ensuring timely audit of Panchayat accounts i.e. receipts and expenditures of Gram Panchayats (GPs), Ministry has rolled out an online application – AuditOnline(<https://auditonline.gov.in>). This application not only facilitates the auditing of Panchayat accounts but also provides for maintaining of audit records. This application seeks to streamline the process for audit inquiries, draft local audit reports, draft audit paras etc. and thus ensures proper maintenance of accounts by Panchayats to improve transparency, accountability and monitoring.

As regards scrutiny, the AuditOnline dashboard has an inbuilt program to capture trends of audit observations such as variation in accounts figures, excess utilization of grant, diversion of grant or fund, non-utilization of grants before lapsable date, misutilization of grants or funds, non-utilization of earmarked funds, non- collection of dues, advances pending adjustment, violation of rules, non-remittance of deductions recoveries, non-production of

records, misappropriations and funds, excess payments, wasteful expenditure, cases of unaccounted cash or stores, pendency of utilization certificates, surcharge certificates recovery pending etc.

O.M. No. H-11024/2/2022-Parl. , Dated:9<sup>th</sup> June, 2022



**CHAPTER III**

**RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE  
IN VIEW OF REPLIES OF THE GOVERNMENT**

**NIL**

## CHAPTER IV

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

#### **Rashtriya Gram Swaraj Abhiyaan (RGSA)**

##### **Recommendation (Serial No. 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.

#### **REPLY OF THE GOVERNMENT**

“It is submitted that the quantum of release of funds under the scheme of RGSA during 2021-22 depended on the unspent balance available with the State, utilization certificate and physical-financial progress reports furnished etc. and also on compliance of Department of Expenditure instruction dated 23<sup>rd</sup> March, 2021 regulating the release of funds under the Centrally Sponsored Schemes and further instruction thereupon. During the large period of the year States/UTs were under the process to comply the said DoE instructions. The States/UTs which had unspent balances could not get full funds, thus resulting in the huge gap between sanctioned and released amounts. The funds to the UT of Andaman & Nicobar Islands could not be released due unspent balance of previous year exceeding the releasable amount. The Ministry appreciates the view expressed by the esteemed Committee about the involvement of Members of Parliament etc. in the programmes/schemes of the Ministry of Panchayati Raj in making them effective. It is worthwhile to note that the National Steering Committee constituted for providing overall guidance and policy directions for the scheme of RGSA/Revamped RGSA includes Ministers of different Central Ministries as well as Minister of State Panchayati Raj Departments, eminent person working in the field of Panchayati Raj, Elected Representatives of Panchayats etc.

Further, the State Advisory Committee to be constituted in the States for periodical review of implementation of the scheme in the respective states will inter alia include Ministers of line Departments in the States eminent person working in the field of Panchayati Raj, Elected Representatives of Panchayats etc. It may be observed there from, that there is ample provision for taking into account the feedback of Public Representatives in Implementation of the scheme. “

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

### **Comments of the Committee**

(Please see Paragraph No. 8 of Chapter I of the Report)

### **(Recommendation Serial No.6)**

#### **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. 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.

### **REPLY OF THE GOVERNMENT**

“For creating greater awareness and motivation among Panchayats across the country for National Panchayat Awards, vigorous efforts are made in collaboration with States/ Union Territories (UTs), inter-alia, for publicity through print, electronic media and other platforms. Further, the awardees under National Panchayat Awards are conferred awards on the occasion of National Panchayati Raj Day (NPRD) celebrated on 24<sup>th</sup> April annually. NPRD function is a widely publicized National Level event which is well attended (virtually or physically) by Union and States Ministers, high level dignitaries and the representatives from various Panchayats across the country apart from the ones selected for the awards. This celebration highlights and propogates the achievements/best practices of Panchayats and also role of Panchayats in overall governance and development.

Incentivization of Panchayats scheme has been approved as a central component of the revamped Rashtriya Gram SwarajAbhiyan(RGSA) scheme with a budgetary provision of Rs.50.00 crores for the financial year 2022-23. Interventions are being made to further improve and rationalize the National Panchayat Awards with establishing a multi-level pyramidal structure of competition at National, State/UT, District and Block level and aligning the Awards/themes to Sustainable Development Goals (SDGs). In addition to the budgetary provision by the Ministry for incentivization of Panchayats, initiatives are being taken to collaborate with line Ministries/Departments for sponsoring these awards keeping in view that the Panchayats play a pivotal role in implementing flagship schemes/programmes for attainment of SDGs.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

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

(Please see Paragraph No. 14 of Chapter I of the Report)

#### **(Recommendation Serial No. 8)**

##### **Digitization of Gram Panchayats**

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 Panchayats (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 ascertain 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 state and come out with a possible cost effective alternative option of creating digital Panchayats. The Committee trust and expect 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 apprise of the effective steps taken by the Ministry in this regard.

### **REPLY OF THE GOVERNMENT**

“A Task Force to review the working of CSCs collocated in GPs (ASSKs) in the State of Maharashtra constituted under the chairmanship of Joint Secretary (Governance), MoPR by MeitY.

The 1st meeting of the Task Force was held on 17th May, 2022 to examine the effectiveness of the services delivered by CSCs co-located in GP Bhawans. In the light of the findings, the continuation of the MoU between MoPR and CSC-SPV, which is an advice to the State to effect bilateral MoU with CSC-SPV, shall be critically examined. Its role in improving delivery of the services at the grassroots level shall form the basis.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

### **REVISED REPLY OF THE GOVERNMENT**

“A Task Force to review the working of CSCs collocated in GPs (ASSKs) in the State of Maharashtra constituted under the chairmanship of Joint Secretary (Governance), MoPR by MeitY.

The 1<sup>st</sup> meeting of the Task Force was held on 17<sup>th</sup> May, 2022 to examine the effectiveness of the services delivered by CSCs co-located in GP Bhawans. Second Meeting is due on 21<sup>st</sup> June, 2022.

In the light of the findings of the Task Force, the continuation of the MoU between MoPR and CSC-SPV, which is an advice to the State to effect bilateral MoU with CSC-SPV, shall be critically examined. Its role in improving delivery of the services at the grassroots level shall form the basis.

The Task Force shall also examine the models being followed in other States and then recommend action to ensure that the best support services are provided to the GPs in the most effective manner.”

O.M. No. H-11024/2/2022-Parl.Dated: 17<sup>th</sup> June, 2022

### **Comments of the Committee**

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

### **(Recommendation Serial No.9)**

The Committee note 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 21<sup>st</sup> August 2019 and advised to all the States to enter into MoU with CSCSPV 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 Bhawani.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 03<sup>rd</sup> 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 03<sup>rd</sup>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.

### **REPLY OF THE GOVERNMENT**

“A Task Force to review the working of CSCs collocated in GPs (ASSKs) in the State of Maharashtra has been constituted under the chairmanship of Joint Secretary (Governance), MoPR.

The utility of the MoU signed between MoPR& CSC-SPV would also be evaluated by this committee.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup>June, 2022

### **REVISED REPLY OF THE GOVERNMENT**

“A Task Force to review the working of CSCs collocated in GPs (ASSKs) in the State of Maharashtra has been constituted under the chairmanship of Joint Secretary (Governance), MoPR. Vide MEITY’s O.M dated 22.4.2022.”

O.M. No. H-11024/2/2022-Parl.Dated: 17<sup>th</sup>June, 2022

### **Comments of the Committee**

(Please see Paragraph No. 22 of Chapter I of the Report)

### **(Recommendation Serial No.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 ZillaParishad 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.

### **REPLY OF THE GOVERNMENT**

“The funding for operationalization of CSCs and their day to day working is as per the MoU signed between State Government and CSC. No funds are provided by MoPR for operating CSCs. Hence, MoPR has no direct control over the day to day functioning of the CSC.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

### **REVISED REPLY OF THE GOVERNMENT**

“Reply date 09.06.2022 retained.”

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

(Please see Paragraph No. 26 of Chapter I of the Report)

**(Recommendation Serial No.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.

### **ORIGINAL REPLY OF THE GOVERNMENT**

“The Ministry has been continuously following up with the States for co-location of CSCs in Panchayat Bhawans. A Project Monitoring & Steering Committee for active Bharatnet Connection and CSC Co-location has been constituted under the Chairmanship of Additional Secretary, MoPR with members from DoT, MeitY, CSC-SPV etc.

Moreover, financial incentives upto Rs. 5 Lakhs is also being provided to the States under the Ministry’s umbrella Rashtriya Gram Swaraj Abhiyaan (RGSA) scheme for co-location of CSCs in Gram Panchayat offices.

Further, various consultation meetings have been conducted and advisories written to the States in this regards.”

O.M. No. H-11024/2/2022-Parl.Dated: 9<sup>th</sup> June, 2022

### **REVISED REPLY OF THE GOVERNMENT**

“The Ministry has been continuously following up with the States for co-location of CSCs in Panchayat Bhawans. A Project Monitoring & Steering Committee for active Bharatnet Connection and CSC Co-location has been constituted under the Chairmanship of Additional Secretary, MoPR with members from DoT, MeitY, CSC-SPV etc.

Moreover, financial incentives upto Rs. 5 Lakhs is also being provided to the States under the Ministry’s umbrella Rashtriya Gram Swaraj Abhiyaan (RGSA) scheme for co-location of CSCs in Gram Panchayat offices.

Further, various consultation meetings have been conducted and advisories written to the States in this regard. The high-level Task Force is examining the issue. The Committee shall be duly apprised of the progress made.”

O.M. No. H-11024/2/2022-Parl.Dated: 17<sup>th</sup> June, 2022

### **Comments of the Committee**

(Please see Paragraph No. 30 of Chapter I of the Report)

**CHAPTER V**  
**RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

**NIL**

O.M. No. H-11024/2/2022-Parl.Dated: 17<sup>th</sup> June, 2022

**NEW DELHI;**  
**28 July, 2022**  
**06 Shrawana, 1944 (Saka)**

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

**ANNEXURE I****MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE ON RURAL DEVELOPMENT AND PANCHAYATI RAJ HELD ON THURSDAY, THE 23<sup>rd</sup> JUNE, 2022.**

The Committee on Rural Development and Panchayati Raj convened their twelfth sitting for 2021-22 on Thursday, the 23<sup>rd</sup> June 2022 from 1715 hrs. to 1825 hrs. in New Committee Room No. '3', First Floor, Parliament House Annexe Extension (EPHA), New Delhi.

**PRESENT**

Shri Prataprao Jadhav -- *Chairperson*

**Members****Lok Sabha**

2. Shri Sisir Kumar Adhikari
3. Shri A.K.P. Chinraj
4. Shri Rajveer Diler
5. Shri Vijay Kumar Dubey
6. Shri Sukhbir Singh Jaunapuria
7. Dr. Mohammad Jawed
8. Prof. Rita Bahuguna Joshi
9. Shri Nalin Kumar Kateel
10. Shri B.Y. Raghavendra
11. Smt. Gitaben Vajesingbhai Rathva
12. Dr. Alok Kumar Suman
13. Shri Shyam Singh Yadav

**Rajya Sabha**

14. Shri Dineshchandra Jemalbai Anavadiya
15. Shri Iranna Kadadi
16. Shri Rathwa Naranbhai Jemlabhai
17. Shri Ajay Pratap Singh
18. Shri M. Mohammed Abdulla

**Secretariat**

1. Dr. Yumnam Arun Kumar - Additional Director
2. Shri Nishant Mehra - Deputy Secretary

Ministry of Panchayati Raj

- |    |                           |                        |
|----|---------------------------|------------------------|
| 1. | Shri Sunil Kumar          | - Secretary            |
| 2. | Dr. Chandra Shekhar Kumar | - Additional Secretary |
| 3. | Shri Alok Prem Nagar      | - Joint Secretary      |

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee to the sitting convened to have a discussion with the representatives of Ministry of Panchayati Raj pertaining to Action Taken Replies furnished by them on Recommendation Nos. 8 to 11 contained in the 24<sup>th</sup> Report of the Committee on Demands for Grants (2022-23) regarding 'Digitization of Gram Panchayats'.

*[Representatives of the Ministry of Panchayati Raj were then called in]*

3. The Chairperson welcomed the Secretary and his colleagues. In his opening remarks, the Chairperson pointed out that Action Taken Replies are vague and evasive in nature without delineating specific action taken thereon and that is why the Committee reverted and directed the Ministry to revise the same. However, the Ministry has not made any substantial changes even in its revised reply.

4. Thereafter, the Chairperson highlighted that even after apprising the Ministry of the dismal ground reality observed by the Committee during its study visits to various parts of the country, so far no corrective action has been taken by the Ministry. The Chairperson also highlighted that several sittings and discussions with the officials of Ministry of Panchayati Raj (MoPR), Department of Telecommunications (DoT) Ministry of Communications and Ministry of Electronics and Information Technology (MEITY) held, however hardly any progress has been made and the matter still remains unresolved. Drawing the attention, the Chairperson briefly dealt with the recommendations which included:

- Constitution of High Level Task Force to review the functioning of Common Service Centres (CSCs) and submit its report within a period of three months,
- Withdrawal of advisory issued by the Ministry to all the States on 21 August 2019 for entering in an Memorandum of Understanding (MoU) with CSC e-Governance Services Limited,
- Decision of MoPR as to whether it should continue its MoU with CSC or not,
- Fixing responsibility for all the false claims of public money in the hands of erring CSC officials not only in Maharashtra but in other States too by conducting a thorough probe in the matter,
- Nomination of a nodal officer for oversight of the programmes monitoring,
- Issue of meaningful utilization of funds from Government exchequer, and

- To explore the possibility of refunds to the Gram Panchayats.

5. Thereafter, impressing upon the representatives to treat the proceedings of the Committee as confidential under Direction 55(1) of the 'Directions by the Speaker', the Chairperson asked the representatives of the Ministry to briefly put up their perspectives on the agenda of the sitting.

6. The Secretary, Ministry of Panchayati Raj began with the introduction of his colleagues and informed that a high level Task Force has been constituted by Ministry of Electronics and Information Technology in Chairmanship of Joint Secretary, Ministry of Panchayati Raj on the directions of the Committee. The Task Force has held two sittings and has taken presentation from five states. The Committee were then informed that the report of the Task Force will be furnished in due course and the actions will be undertaken based on that.

7. The representatives of the Ministry accepted the fact that a Nodal Officer was supposed to be appointed for the monitoring of the programme but not done. The Committee were apprised that a Steering Committee has been constituted under the Chairmanship of Additional Secretary, Ministry of Panchayati Raj. The Committee were further informed that the different models of Digitization of Gram Panchayats are followed in different States and models of different States will be analyzed by the Task Force in its Report.

8. Thereafter, the Chairperson and Members sought clarifications from the Ministry on various issues which *inter-alia* included-

- Memorandum of Understanding between Government of Maharashtra and CSC e-Governance Services Ltd, has been given extension based on the advisory issued by the Ministry of Panchayati Raj,
- Reason for non-submission of information sought from the Ministry regarding names of at least five or ten Gram Panchayats in the State of Maharashtra districts where good work in Digitization has been taken up by CSC,
- 'Digitization of Gram Panchayats' is a Central Government programme and funds provided to the CSCs and the requirement of their appropriate utilization.
- Misappropriation of funds as observed by the Committee in its study visits,
- Steps proposed by Ministry to put end to the misuse of Panchayat's funds in the hands of erring CSC officials.

9. The representatives of the Ministry responded to some of the queries raised by the Chairperson and Members of the Committee. The Ministry opined that the Task Force needs some more time to submit its findings as they were involved in getting cabinet approval of RGSA guidelines, celebration of Panchayati Raj Diwas, crunch of staff and officers. Additionally, the report will be submitted after taking stock of situation holistically in other States also where the programme is going on successfully. The Committee accepted the



request and directed the officials to submit its findings within three months with the appropriate actions taken on them.

10. The Secretary, Ministry of Panchayati Raj thanked the Committee and stated that the Ministry would furnish information and initiate appropriate action on specific recommendations of the Committee on the matter.

***The Committee then adjourned.***

*A copy of the verbatim proceedings of the sitting has been kept on record.*

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**ANNEXURE - III**

[Vide para 4 of Introduction of Report]

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE TWENTY FOURTH REPORT (17<sup>TH</sup> LOK SABHA) OF  
THE STANDING COMMITTEE ON RURAL DEVELOPMENT AND PANCHAYATI RAJ**

I.	Total number of recommendations:	18
II.	Recommendations that have been accepted by the Government :	
	Serial Nos. 1, 2, 4, 5, 7, 12, 13, 14, 15, 16, 17, 18	
	Total:	12
	Percentage:	75%
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies :	
	Serial Nos. NIL	
	Total:	00
	Percentage:	00 %
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee:	
	Serial Nos. 3, 6, 8, 9, 10, 11	
	Total:	06
	Percentage:	25 %
V.	Recommendations in respect of which final replies of the Government are still awaited :	
	Serial Nos. NIL	
	Total:	00
	Percentage:	00 %