

Standing Committee Report Summary

Improvement in the functioning of Panchayats

- The Standing Committee on Rural Development (Chair: Dr. P Venugopal) submitted its report on ‘Improvement in the functioning of Panchayats’ on July 19, 2018. The participation of local people for development of rural areas through the Panchayati Raj System was provided in the Indian Constitution through the 73rd amendment. Key findings and recommendations of the Committee with regard to the functioning of panchayats include:
 - **Devolution of powers:** Local government, including panchayats, is a state subject in the Constitution, and consequently, the devolution of power and authority to panchayats has been left to the discretion of states. The Ministry of Panchayati Raj has issued comprehensive guidelines for the effective functioning of panchayats. However, the Committee noted that the mandatory meetings of panchayats were not taking place and had poor attendance, especially from women representatives. The Committee recommended that state governments should put a quorum in gram sabha meetings for participation of panchayat representatives, including women.
 - In addition, subjects like fuel and fodder, non-conventional energy sources, rural electrification including distribution of electricity, non-formal education, small scale industries including food processing industries, technical training, and vocational education have not been devolved to certain states. The Committee recommended that the Ministry should pursue states to devolve these subjects for giving panchayats more power in these areas. State governments should make adequate efforts to devolve funds, functions, and functionaries to panchayats for them to effectively plan economic development and social justice schemes.
 - **Funding of panchayats:** Grants from Finance Commission play an important role in the implementation of schemes by panchayats. These grants are intended to be used to support and strengthen the delivery of basic services including water supply, sanitation, sewerage and solid waste management and any other basic service within the functions assigned to panchayats under relevant legislations. The Committee noted that some state governments have delayed releasing funds to panchayats. They subsequently had to pay interest to panchayats and wherever panchayat accounts were not audited, the grants were not released.
 - The Committee recommended that the Ministry should monitor the release and expenditure of Finance Commission grants to ensure that there is no delay in their release. It should also be ensured that grants are utilised in a proper and effective manner. Panchayats should also be encouraged to carry out local audits regularly so that Finance Commission grants are not delayed.
 - **Capacity building:** The Rajiv Gandhi Panchayat Sashaktikaran Abhiyan was implemented from 2012-13 to 2015-16 to address issues such as inadequate infrastructure, manpower training, and advocacy of devolution of power to panchayats. Since 2015-16, the state component of the scheme was delinked from central support due to larger devolution of funds from the 14th Finance Commission. The Committee recommended that strengthening of panchayats through capacity building and training should be given more encouragement from the centre and state governments. This would enable them to prepare better Gram Panchayat Development Plans, as well as become more responsive towards citizens’ needs.
 - **Support staff:** The Committee observed that there is severe lack of support staff and personnel in panchayats, such as secretary, junior engineers, computer operators, and data entry operators. This affects their functioning and delivery of services by them. The Committee recommended that the Ministry should make serious efforts towards recruitment and appointment of support and technical staff to ensure the smooth functioning of panchayats.

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