DEVOLUTION TO PANCHAYATS IN ANDHRA PRADESH

THE WAY FORWARD

STATEMENT OF CONCLUSIONS

21-04-06

Ministry of Panchayat Raj
Government of India

Panchayat Raj Department
Government of Andhra Pradesh
(i) The Gram Panchayats are empowered to levy taxes and non-tax sources of revenues under section 60 to 72 of APPR Act 1994. Panchayats are given statutory grants, namely, per capita grant, professional tax, seigniorage fee and grants for salaries.

(ii) State Government has so far constituted three Finance Commissions. The first and second Commissions have already submitted their reports. The third finance commission has been constituted and its report is due by December 2007.

(iii) A project has been initiated for IT enabled e-Governance for Panchayats. The NIC developed web-based Software for e.Panchayats already being implemented in 475 major panchayats.

(iv) As recommended by the Eleventh Finance Commission, the Panchayat Raj Department is maintaining a computerized Database of Panchayat finances.

(v) AMR Andhra Pradesh Academy of Rural Development (APARD) is the nodal agency in the State for providing training to all the officials and non-official of PRIs. There are also five Extension Training Centres (ETCs) in the State to provide continues training and capacity building of Panchayati Raj elected representatives and functionaries.

(vi) Rules governing the powers and procedures for Gram Sabhas have been issued under the Andhra Pradesh Panchayat Raj Act 1994.

4. The challenges before Andhra Pradesh in sustaining the pace of reform will require effective support and close coordination with the Central Government. In this endeavour the Government of Andhra Pradesh and the Union Ministry of Panchayati Raj, agree to accord priority to the following:

(a) A fresh national impetus has been given to the devolution of powers and responsibilities through the Seven Round Tables of
State Ministers of Panchayati Raj, which arrived by consensus at 150 recommendations pertaining to 18 dimensions of Panchayati Raj. The Government of Andhra Pradesh will address itself with all deliberate speed to these recommendations and review the same regularly. Quarterly reports will be furnished to the Ministry of Panchayati Raj with regard to the status of implementation.

(b) In fulfillment of the devolution of powers, responsibilities and activities under the Andhra Pradesh Panchayat Raj Act 1994, Andhra Pradesh has already commenced a process of Activity Mapping, aimed at effectively devolving functions, funds and functionaries to Panchayats. Andhra Pradesh undertakes to complete this process and issue the necessary notifications transferring schemes based on Activity Mapping within the first half of the financial year 2006-07. The Activity Map will be released by the Andhra Pradesh Government in the presence of the Chief Minister and the Union Minister of Panchayati Raj.

(c) For effectively performing the functions devolved to them through Activity Mapping, the Panchayats would need a matching transfer of funds in respect of the devolved functions. This will require creation of a Panchayat Sector in the State Budget for each department so as to entrust all relevant schemes pertaining to the activities devolved to Panchayats at all levels in accordance with the Activity Map. The Government of Andhra Pradesh undertakes to commence taking steps in this direction so as to operationalise Activity Mapping, through transfer of funds for schemes entrusted to Panchayats during 2006-07.

(d) In accordance with the transfer of functions and finances to Panchayats at all levels, the functionaries required to implement schemes entrusted will also be placed at the disposal of the Panchayats concerned.

(e) For all Panchayats to effectively plan and implement the functions that have been devolved upon them, it is necessary that funds pertaining to these schemes are transferred to them without delay or diversion. As part of this process, the Government of Andhra Pradesh agrees to put in place systems
that are capable of tracking transfers of funds to Panchayats, both through Banks and state government Treasuries, preferably, electronically.

(f) In Andhra Pradesh, Gram Panchayats are raising significant amounts in terms of local taxes and user charges. They need to be further encouraged, facilitated and empowered in keeping with the Andhra Pradesh Panchayati Raj Act 1994. In terms of Article 243 H of the Constitution, Panchayats will be permitted to levy, collect and appropriate such taxes at their level without any restriction. The guidelines governing expenditure of funds thus collected will be reviewed to enable reform in this direction.

(g) Detailed operational guidelines will be issued to ensure effective bottom up participative planning through Panchayats at all levels.

(h) In pursuance of recent legislation (Andhra Pradesh District Planning Committees Act, 2005), District Planning Committees will be constituted in accordance with Article 243 ZD of the Constitution.

(i) In pursuance of Article 243 ZD of the Constitution, detailed operational guidelines will issue by September 2006 to enable District Planning Committees to consolidate plan documents from the Gram Panchayat, Mandal Parishad, Zilla Parishad and Municipal Bodies into the Draft District Development Plan. This will ensure that Andhra Pradesh engages in a genuinely participative, bottom up planning process through all local bodies for the 11th Five Year Plan, in pursuance of the advice of the Planning Commission.

(j) With respect to the subjects devolved to the Panchayats, steps will be taken to re-orient all parallel bodies including District Rural Development Agencies (DRDAs), District Water Management Agencies and others, as critical instruments for Panchayati Raj development. The activities of these parallel bodies (for example, the re-oriented DRDAs) with respect to the three tiers of the Panchayati Raj system will then accord with the activity map for the devolution of functions, functionaries
and funds. This will ensure that all the three tiers of PRIs have equitable access to the resources, expertise, facilities and manpower for instance, from the DRDAs.

(k) The effective and transparent functioning of Panchayats depends to a large degree on the frequency and quality of participation of all elected members in activities of the Panchayats. This is best done through strengthening Standing Committees at the Panchayat level, which are given a degree of flexibility and are held accountable for the performance of specific assigned functions. Andhra Pradesh undertakes to take up training programmes for Standing Committees constituted under the Andhra Pradesh Panchayat Raj Act, 1994, which will be oriented to the responsibilities of the Committees concerned. The district and sub-district level functionaries will be entrusted with the responsibility for the hands-on training of members of the Standing Committees.

(l) At the Gram Panchayat level, diverse Sub-Committees of the Gram Sabha deal with subjects listed in the Eleventh Schedule of the Constitution including matters such as education, health, midday meals, women and child welfare, agriculture, animal husbandry and PWD works. These Sub-Committees of the Gram Sabha will be harmonized with the Gram Panchayat to facilitate an organic linkage and synergy between them, to ensure smooth functioning.

(m) There is a felt need to involve Panchayats at all levels in providing effective and comprehensive first response in times of calamities or crisis. Government of Andhra Pradesh will formulate and develop a policy in this respect.

(n) Gram Sabhas will be strengthened, through providing them powers with respect to

(i) selection of beneficiaries,

(ii) approval of plans, programmes and schemes,

(iii) authorization of utilization certificates and
(iv) conduct of social audit.

(o) There is a need for constituting Sabhas below the Gram level at the Ward level with the objective of deepening peoples' participation in local decision-making. Andhra Pradesh would examine the modalities of implementing this system, keeping in mind best practices from other States.

(p) Necessary steps would be taken to issue rules for effective implementation of the provisions of Panchayats (Extension to the Scheduled Areas) Act, 1996 (PESA), which confers special powers upon the Gram Sabhas and Gram Panchayats, in Schedule V areas, with respect to identification of beneficiaries, approval of plans for local development, issue of utilization certificates, community ownership of land and its resources, minor water bodies, minor forest produce and minor minerals. Both sides underline the importance of such action in the context of tackling the menace of naxalism.

(q) Andhra Pradesh Panchayat Raj Act 1994 imposed the two-child norm as a criterion for eligibility to contest Panchayat elections. In order to ensure greater participation and provide full opportunity to both women and men to participate in the imminent elections without discrimination on account of the two-child norm, Andhra Pradesh agreed to debate on this issue.

(r) A compendium of the Panchayati Raj legislation and rules and all important circulars and instructions would be prepared in the local language and widely circulated among all elected representatives of Panchayats and officials.

(s) The Government of Andhra Pradesh will mobilize Panchayats at all levels to forward proposals to the Union Ministry of Panchayati Raj for establishing at least one Rural Business Hub in each Mandal, in order to promote at least one product or skill in each Mandal through a partnership between the local Panchayat(s) and business houses identified by the Confederation of Indian Industry and other interested entrepreneurs.
5. The Union Ministry of Panchayati Raj agrees to support the Government of Andhra Pradesh with technical assistance in undertaking further Panchayati Raj reform including Activity Mapping and Fiscal Devolution.

6. The Union Ministry of Panchayat Raj will pursue the establishment of a capacity and infrastructure development window – Gram Swaraj - so as to provide support to Panchayats to strengthen their administration.

7. The Union Ministry of Panchayati Raj shall assist the Government of Andhra Pradesh in capacity building and training of elected representatives and officials of Panchayats. This could include support to the AMR Andhra Pradesh Academy of Rural Development, Extension Training Centres (ETCs), Technology Training and Development Centres (TTDCs) and Mandal Level Training Centres (MLTCs) for faculty, resource persons for training, trainers, officials, and exposure visits for Panchayat Members.

8. The Union Ministry of Panchayati Raj (MoPR) undertakes to assist the Government of Andhra Pradesh in creating awareness about the significance of Panchayati Raj among the youth and the student community, women, aspirants to office in Panchayati Raj Institutions and elected representatives. To this end, MoPR would assist in conducting orientation and training of persons aspiring to posts in Panchayats, particularly youth and women, through pre-election voter education campaigns.

9. The Union Ministry of Panchayati Raj shall support the development of Rural Business Hubs (RBHs) through Public-Private-Panchayat Partnerships, so as to upgrade local skills, identify and promote products, and locate markets for these products. Strenuous efforts will focus on RBHs in the sectors of rural tourism, organic farming, food processing, handicrafts, horticulture, floriculture, biodiesel, micro-hydel and other renewable energy technologies.

10. The Union Ministry of Panchayati Raj agrees to support initiatives in computerization and e-governance of Panchayats in Andhra Pradesh, as part of the National e-Governance Action Plan. This would include provision of one computer to every Panchayat and video-conferencing infrastructure at every Mandal headquarters.
11. The Union Ministry of Panchayati Raj undertakes to provide technical assistance to Andhra Pradesh to build capacity of Panchayats to undertake the obligations of the recording and preserving of biodiversity in their areas, as mandated by the National Biodiversity Act. Capacity building will also cover environmental and spatial planning at the Panchayat level.

12. The Ministry of Panchayati Raj will pursue the devolution of Central funds through untied block grants and systemic reform of Centrally Sponsored Schemes, including the establishment of a Panchayat Empowerment Incentive Fund to conform with provisions on good governance at District, Mandal and Village levels as set out in Part IX read with the relevant articles of Part IX A of the Constitution of India.

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