

New Delhi, the November 21, 2012

OFFICE MEMORANDUM

Subject: Empowerment of Panchayati Raj Institutions.

The undersigned is directed to say that the empowerment of Panchayati Raj Institutions at all levels through devolution of funds, functions and functionaries is, in accordance with the constitutional mandate, an integral part of the policy followed by the Government of India. As the Ministries are aware, laws are to be enacted by the Legislature of a State in terms of Article 243G of the Constitution of India to endow the Panchayats with powers and authority necessary to enable them to function as institutions of self-government. Such laws are to contain provisions for devolution of powers and responsibilities on Panchayats with reference to preparation of plans for economic development and social justice, and implementation of such plans/schemes. An illustrative list of items where such powers/authority could be vested in the Panchayats is also contained in the Eleventh Schedule of the Constitution.

2. In keeping with the above, paragraph 49 of the instructions issued by the Cabinet Secretariat regarding preparation of notes for Cabinet/Cabinet Committees, state that *"In respect of social sector schemes, the Ministries/Departments should necessarily consult the Ministry of Panchayati Raj to enable empowerment of these democratic institutions at grass roots level. The Ministry of Panchayati Raj should also be consulted in all cases relating to centrally sponsored Programmes/ Schemes."*

3. It has further been decided that while considering extension of the Centrally Sponsored/Central Sector/Additional Central Assistance Schemes/proposals (CSSs/ACAs) for continuation in the 12th Five Year Plan or proposing new schemes/programmes, extensive consultations be carried out with the Ministry of Panchayati Raj. Such consultations would aim at establishing firm linkages between the devolution of funds, functions and functionaries to the Panchayati Raj Institutions at different levels and the release of funds by the Central Government under the CSSs/ACAs and also enhancing the accountability of the delivery mechanisms to the institutions of local governance. The notes for Cabinet/Cabinet Committees in respect of such schemes will, therefore, also include a separate paragraph indicating the means through which accountability of delivery mechanisms to Panchayati Raj Institutions would be ensured. In this context, it is also noted that the Ministry of Drinking Water and Sanitation had, in the context of a proposal to modify National Rural Drinking Water Programme (NRDWP), prepared a Management Devolution Index for release of funds to the States. While the aforesaid index might not be comprehensive, it could, where feasible, be replicated by the Ministries/Departments with appropriate modifications in consultation with the Ministry of Panchayati Raj.

4. The Ministry of Panchayati Raj has separately been advised to identify areas for taking further action for enhancing the capacity/competence of the Panchayati Raj Institutions in concert with the State Governments and other Ministries/Departments of the Central Government. All Ministries/Departments are, accordingly, requested to extend all possible help to the Ministry of Panchayati Raj for ensuring that Panchayati Raj Institutions are gainfully engaged in the process of development through CSSs/ACAs.

5. It is requested that the above instructions may be disseminated to all concerned for strict compliance.


(K.L. Sharma)

Joint Secretary to the Cabinet
Tel: 23015802

To

All Secretaries to the Government of India

