

Measures to Augment the Resources of Panchayats Empirical Assessment 2018-19

Annex VIII: A Report on Odisha

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Indian Institute of Public Administration

New Delhi

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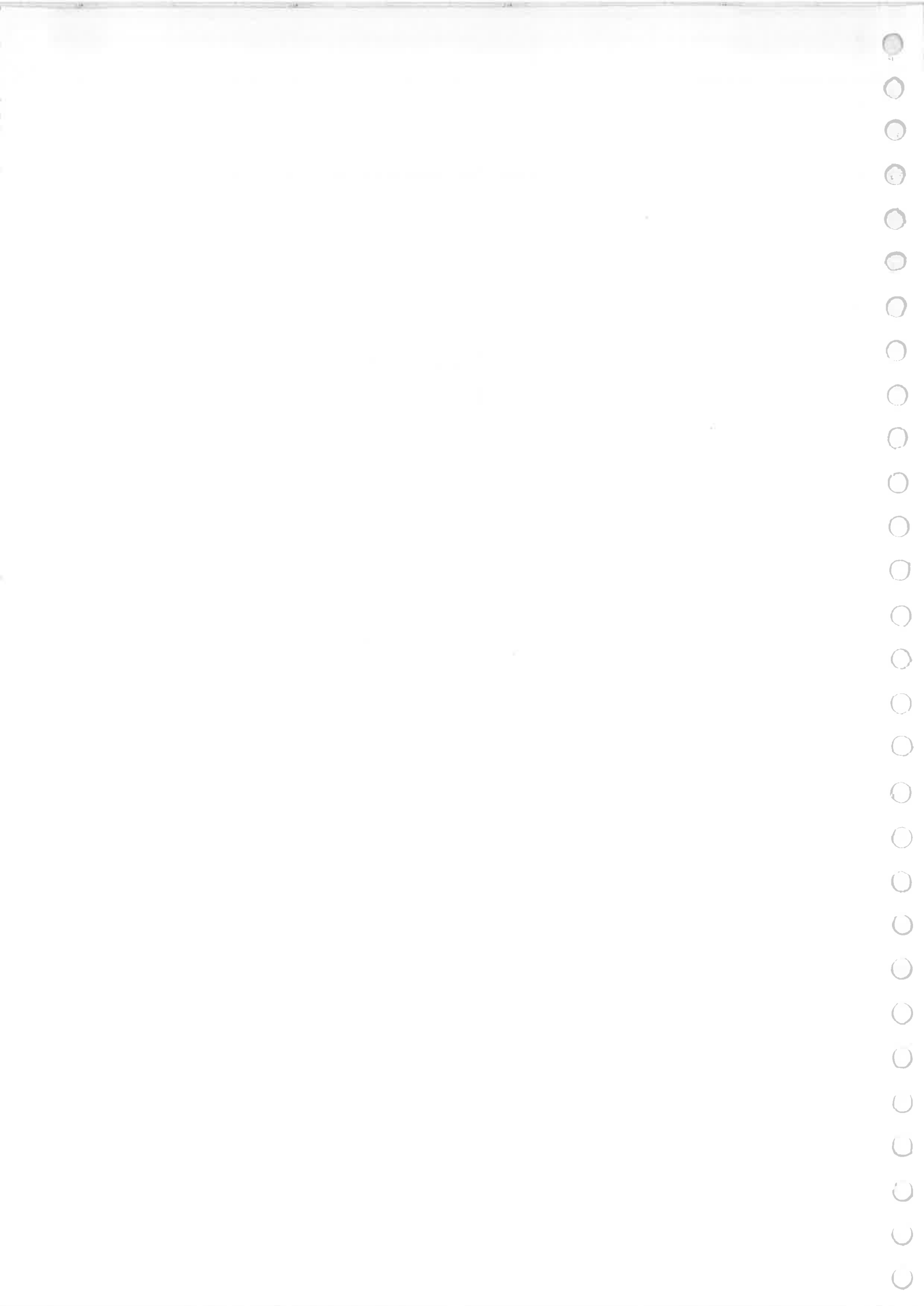
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List of Abbreviations

AGAY	<i>Ama Gaon Ama Yojana</i>
ANM	Auxiliary Nurse Midwife
ASHA	Accredited Social Health Activist
ATR	Action Taken Report
BDO	Block Development Officer
BP	Block <i>Panchayat</i>
CAA	Constitutional Amendment Act
CBO	Community Based Organizations
CB-PSA	Capacity Building – <i>Panchayat Sashaktikaran Abhiyan</i>
C C Road	Cement Concrete Road
CEO	Chief Executive Officer
CSS	Central Sponsored Schemes
DF	District Fund
DPC	District Planning Committee
DRDA	District Rural Development Agency
ERs	Elected Representatives
FC	Finance Commission
GF	<i>Gram fund</i>
GP	<i>Gram Panchayat</i>
GPDP	<i>Gram Panchayat</i> Development Plan
GRM	Grievance Redressal Mechanism
GS	<i>Gram Sabha</i>
GST	Goods and Services Tax
ICT	Information and Communication Technology
ICDS	Integrated Child Development Services
IF	Intermediate Fund
IHHL	Individual Household Latrines
ITDA	Information Technology Development Agency
LBT	Land and Building Tax/House tax
LGD	Local Government Directory

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Measures to Augment Resources of Panchayats in Odisha

Facts File

Capital	: Bhubaneswar
Area	: 155,707 sq. km
Population	: 45,989,232 crores (till 2018)
Rural Population	: 35,787,108 crores (till 2018)
GSDP at Current Price (2018-19)	: Rs 4,43,479 crores
Number of Districts	: 30
Number of Districts <i>Panchayats</i>	: 30
Number of Intermediate <i>Panchayats</i>	: 314
Number of Village <i>Panchayats</i>	: 6798

1. Basic Details of Panchayats including Constitutional Provisions

1.1 Panchayat system in Odisha -An Introduction

The *Panchayati Raj* and Drinking Water Department, Government of Odisha, mainly implements its plan, policies, and programmes to alleviate rural poverty, streamlining employment opportunities in rural areas and improves the economic standard of poor people at the grass-roots level. It has an integrated perspective towards improving the quality of lives in rural areas by ensuring equity, self-help, social justice, empowerment, and people's participation.

Before 73rd Constitutional Amendment Act, 1993 (CAA), Odisha took the lead in providing reservations for the welfare of Scheduled Castes (SCs), Scheduled Tribes (STs) and women in three-rungs of *Panchayats*. The 73rd CAA, 1993 and Provision of *Panchayat* (Extension to Scheduled Areas) Act, 1996 (PESA) came into force in the year 1993 and 1996 respectively. Subsequently, all the *Panchayat* laws in Odisha were amended in consistence with provisions 73rd CAA, 1993 and PESA Act 1996.

The 73rd CAA, 1993 provided constitutional status to *Panchayats* and *Gram Sabhas*. Article 243G of the Constitution mandates States to endow *Panchayats* with power and authority to enable them to function as institutions of local self-government for planning and implementation of schemes for social justice and economic development, including on 29 matters listed under the 11th Schedule. As per Article 243H of the Constitution, a State may empower *Panchayats* financially by authorizing *Panchayats* to collect and levy or assign taxes, duties, providing for grants in aid, etc.

Odisha is the first State to conduct the election according to the PESA Act thereby ensuring social justice to Scheduled Tribe communities. A distinguishing feature of the *Panchayats* in Odisha is that either the Chairperson or the Vice-Chairperson of district *Panchayat* must be a woman. As per the 73rd Constitution Amendment Act (CAA), the development of *Panchayats* was based on the number of powers and functions devolved to them for smooth functioning as instituting local-self-government. Out of 29 Subjects of 11th Schedule, 21 subjects of 11 Departments were delegated to *Panchayats*.

1.2 Organizational Structure of *Panchayat* systems in Odisha

The establishment of three-tier *Panchayat* structures in Odisha was the outcome of Balwanthrai Mehta Committee recommendations, 1956. The committee was made to study the functioning of Community Development programmes and suggests remedial measures for defects. The Committee recommended a three-tier of *Panchayat* structures with an objective to eliminate poverty and illiteracy, improve the standard of living of people in rural areas by creating awareness for hygiene & sanitation and submitted its report in 1957. The Odisha had adopted the committee's recommendation on 26th January 1961 and formed a three-tier *Panchayats* system in Odisha state viz.

- 1) *Zilla Parishad (ZP)* at District level
- 2) *Panchayat Samiti (PS)* at Block level
- 3) *Gram Panchayat (GP)* at Village level

An administrative unit was setup at the District level with an IAS officer as the Chief Executive Officer (CEO). The Block Development Officer (BDO) was the head of administration in the *Panchayat Samiti (PS)* and village development officers (*Gram sevaks*), worked as the Secretaries of *Gram Panchayats (GP)* at the village level. The CEO in *ZP*, BDO in *PS* and *Gram Sewaks* in *GP* report functionally to the respective elected bodies and administratively to their immediate superior authority in the State Government hierarchy. They are also responsible for the maintenance of accounts and records of village *Panchayats*.

The *Panchayat* structure of Odisha includes 30 districts, 58 Sub-districts, 317 Tehsils, 314 blocks, and 52,141 villages. There are 30 District *Panchayats*, 314 Block/Intermediate *Panchayats*, and 6,798 village *Panchayats* which comprises the rural local government in Odisha.

1.3 Constitutional & Legislative Provisions

Odisha introduced the power and function of *Gram Panchayat* in Orissa *Gram Panchayat Act* 1948, later amended in 1964 and passed in 1965. The three-tier system of *Panchayats* in Odisha was established in 1961. The Orissa *Zilla Parishad Act* was enacted in 1959 and was consequently amended as the Orissa *Panchayat Samiti and Zilla Parishad Act, 1961*. Table 1 shows the *Panchayats* governing Acts in Odisha.

Table 1: *Panchayats* Governing Acts and Rules in Odisha

<i>Panchayats</i> governing Acts in Odisha	Year of Passing
The Orissa <i>Panchayat Samiti Act, 1960</i>	1960
The Orissa <i>Gram Panchayat Act, 1964</i>	1964
The Orissa <i>Zilla Panchayat Act, 1991</i>	1991
The Orissa District Planning Committee Act, 1998	1998
DPC Gazette Notification No. 1712 dt 14/12.2000	2000
Odisha Gazette for <i>Panchayat</i> by <i>Panchayati Raj</i> Department Notification No. 12544-17-SEC-18/1002 dt 4/08/2014	2014

1.4 PESA area in Odisha

After the 73rd CAA (1993), the Parliament passed another legislation known as *Panchayat Extension to Scheduled Areas (PESA) Act* in 1996 to extend the provisions of 73rd CAA (1993) and 74th CAA (1992) in the scheduled areas of the country. PESA brought powers further down to the '*Gram Sabha*' level. The Orissa *Gram Panchayat Act, 1964* provides wide-ranging of powers to *Gram Sabha* starting from consultation on land acquisition, re-settlement rehabilitation to that of ownership over minor forest produces and leasing of minor minerals. Odisha is one of the nine States which falls under the purview of PESA Act, 1996. The State has two types of districts which either falls partially or completely under this Act. Table 2 shows the list of fully and partially districts of Scheduled Area within Odisha under PESA Act, 1996.

Table 2: Scheduled Area within Odisha under PESA Act, 1996

Fully Scheduled Districts	Partially Scheduled Districts
Koraput district;	Keonjhar and Telkoi tehsils of keonjhar sub-division, and champua and Barbil tehsils of Champua sub-division in Keonjhar district;
Mayurbhanj district;	Khondmals tehsil of Khondmals sub-division, and Balliguda and G. Udayagiri tehsils of Balliguda sub-division in Boudh-khondmals district;
Sundargah district.	Kuchinda tahsil in Sambalpur district; Nilgiri Community Development Block of Nilgiri tehsil in Nilgiri Sub-division in Balasore district; R. Udayagiri tehsil, and Guma and Rayagada Blocks of Parlakhemundi Tehsil of Parlakhemundi sub-division, and Surada tehsil, excluding Gazalbadi and Gocha <i>Gram Panchayats</i> of Ghumsur sub-division, in Ganjam district; Thuamul Rampur Block of Kalahandi Tehsil, and Lanjigarh Block, falling in Lanjigarh and Kalahandi tehsils, in Bhawanipatna sub-division in Kalahandi district.

1.5 Political and Administrative Framework for *Panchayats* in Odisha

The three-tier *Panchayat* system works under its own jurisdiction to provide provision for the reservation of seats for women, Scheduled Castes (SCs), Scheduled Tribes (STs), and Other Backward Classes (OBCs). Members of *ZP* are elected from their respective districts through elections for five year fixed term. The CEO is the administrative head of the *ZP*. It also includes the representative from each *PS*. Likewise, the *PS* comprises with BDO as an administrative head and representatives from each *GP*. The *Sarpanchs* of the villages are permanent invitees for the *GP* meetings.

1.5.1 Reservation Provisions in *Panchayats* of Odisha

Article 243 D of the Indian Constitution, specifies equal and fair representation of every section of society in the political system through reservation of seats for SCs/STs & women.

As per the 73rd CAA (1993), the *Panchayats* must reserve one-third of their seats for women. Some of the states have given 50 percent reservation to Women at *Panchayat* level which includes Odisha. Table 3 shows the reservation of seats for Women, SCs and STs in *Panchayats* of Odisha as mentioned in State Act.

Table 3: Reservation of Seats- Women, SCs and STs in *Panchayats* of Odisha

Reserved Community	Reservation Seats for Women, SCs and STs (in %)		
	<i>Gram Panchayat</i>	<i>Panchayat Samiti</i>	<i>Zilla Parishad</i>
Women	50	50	50
Scheduled Castes/SCs	16.25 Seats shall be reserved for Scheduled Caste in every <i>GP</i> or Wards the same proportion to the total number of seats filled by direct election in that Gram or ward population of the Scheduled Caste bears to the total population of that <i>Gram</i> .	16.25 Seats shall be reserved for Scheduled Caste in every <i>PS</i> the same proportion to the total number of seats filled by direct election in that <i>Samiti</i> population of the Scheduled Caste bears to the total population of that <i>Samiti</i> .	16.25 Seats shall be reserved for Scheduled Caste in every <i>ZP</i> the same proportion to the total number of seats filled by direct election in that <i>Parishad</i> population of the Scheduled Caste bears to the total population of that <i>Parishad</i> .
Scheduled Tribes/STs	22.05 Seats shall be reserved for Scheduled Tribe in every <i>GP</i> or Wards the same proportion to the total number of seats filled by direct election in that Gram or ward population of the Scheduled Tribe bears to the total population of that <i>Gram</i> .	22.05 Seats shall be reserved for Scheduled Tribe in every <i>Panchayat Samiti</i> the same proportion to the total number of seats filled by direct election in that <i>Samiti</i> population of the Scheduled Tribe bears to the total population of that <i>Samiti</i> .	22.05 Seats shall be reserved for Scheduled Tribe in every <i>ZP</i> the same proportion to the total number of seats filled by direct election in that <i>Parishad</i> population of the Scheduled Tribe bears to the total population of that <i>Parishad</i> .

Source: State Government of Odisha

As mentioned above the *Panchayats* in Odisha has made provision for women with fifty percent of reservation in all three rungs of *Panchayats*. The reservation is rotated at the time of *Panchayat* elections that is, every five years. The women *Sarpanchs* perform all duties and function of *Sarpanchs* like any other male *Sarpanchs* as assigned in the *Gram Panchayat Act*, 1964. No special safeguards are available against the removal of women *Sarpanchs* and they are treated at par with male *Sarpanchs*. The number of Elected Representatives -Women, SCs and STs and in three tiers of *Panchayats* in Odisha are given in Table 4.

Elected Representatives in *Panchayats* as per the State Government of Odisha:

- At districts level, *Zilla Parishads* have 913 elected representatives. Out of which 853 are *ZP* members and 30 are Presidents and 30 are Vice presidents.
- At block level, *Panchayat Samitis* have 7,428 elected representatives. Out of which 6800 are *PS* members and 314 are Presidents and 314 are Vice presidents.
- At village level, *Gram Panchayats* have 98,828 elected representatives. Out of which 92,027 are *GP* members and 6,801 are *Sarpanchs*.

Table 4: Number of Elected representatives- Women, SCs and STs in *Panchayats* of Odisha

S.No.	Constitutional Provisions	<i>Gram Panchayat</i>	<i>Block Panchayat</i>	<i>District Panchayat</i>
1.	Name of <i>Panchayats</i>	<i>Gram Panchayat</i>	<i>Panchayat Samiti</i>	<i>Zilla Panchayats</i>
2.	Number of <i>Panchayats</i>	6798	314	30
3.	Number of Elected Representatives	98828	7428	913
4.	Number of Women Representatives	52462	3713	534
5.	Number of SC Representatives	17752	1242	149
6.	Number of ST Representatives	28316	2018	N.A

Source: State Government of Odisha

Note: N.A- Data not available

2. Constitution and Functioning of District Planning Committee (DPC) in Odisha

2.1 District Planning Committee (DPC) in Odisha: Constitution, Composition and Functioning

In Odisha, Decentralized Planning has taken a new shape with the implementation of Eleventh Five Year Plan Period (2007-12). The plan mainly emphasizes on planning and preparation of decentralized development plan for each District in the State. The *Panchayati Raj* department of Odisha prepares Annual District Plans for all 30 districts from the year 2008-09 with the consultation with Ministry of *Panchayati Raj*, Government of India.

The Local self-governing institutions at their respective levels were taken a lead role apart from the Line Departments, District Planning Offices and NGOs in the process of formulation of district Annual Plan. Since 2014-15, these District Annual Plans is formulated in-house by the District Plan Monitoring Units (DPMUs) to facilitate the DPCs. The DPMUs

provides technical support to DPC for preparation and consolidation of *GP*, *PS* and *ZP* Plan. It also provides assistance to DPC in monitoring of various development programmes.

Preparation of the five years Annual Plan for the different Central Sponsored Schemes (CSS) like Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and National Rural Health Mission (NRHM) has become a regular affair in the State. As a result, each year the District Plans are being prepared and vetted at the concerned DPC level before sending it to the State for the financial allocation.

With the enactment of 73rd CAA, the *Panchayats* are empowered to take part in decentralized planning from the *Gram Sabha* level to the *Zilla Parishad* level. The *Gram Sabha* approves the plans, programmes and projects for social and economic development and then implemented by the *Gram Panchayat*. The *Gram Panchayat* prepares a consolidated list of plans/programmes and projects along with the budgets and sent to the *Panchayat Samiti*. After receiving the plans from all the *Gram Panchayats* under it, the *Panchayat Samiti* scrutinizes them in its meeting. The Assistant Engineer of the Block is asked to provide technical sanction to the plans and budgets after a detailed examination. The standardized designs and budgets are then sent to the *Zilla Parishad*. The main function of the *Zilla Parishad* is to coordinate and approve plans and projects submitted by the *Panchayati Samiti* are send to DPC and then to State Planning Board. There are 30 districts in Odisha and DPCs have been constituted for all 30 districts.

2.2 Composition of DPC

According to the Orissa DPC Act (1998) Section 3, the eighty percent of a DPC membership in a district is filled up through the election process. The election was conducted among the elected members of the *Zilla Parishad* and the elected councilors of the Municipalities in the district in proportion to the ratio between the population of the rural and urban areas in the district. The remaining twenty percent of the members include the Collector of the district as ex-officio Member Secretary, a Minister of the State Council of Ministers as the chairperson and other nominated experts knowing in the area of agriculture, planning, economics, irrigation, industry, education, rural development or social services. The tenure of Chairperson of DPC is his/her tenure in the Council of Ministers. The permanent invitees of the committee comprise members of Parliament and Legislative Assembly of wholly or partly any area of the district in the State. The Act is silent about the periodicity of the meeting of

DPC. However, all collectors and Member Secretaries of DPC have been intimated to convene the meeting of the DPC regularly and preferably once in each quarter. Table 5 shows the Composition of DPCs in Odisha under Odisha DPC Act (1998) Section 3(2).

Table 5: Composition of District Planning Committees (DPCs) in Odisha

SI. No.	District	Composition of District Planning Committees					Constitution of District Planning Committees	
		Elected from		Nominated by Govt.	Total Members	% of Col. 3 & 4 to Col. 6	Notification No.	Date
		ZP	Municipalities					
1	2	3	4	5	6	7	8	9
1	Anugul	14	2	4	20	80	2096	01.02.03
2	Balasore	15	1	4	20	80	2482	02.02.03
3	Bargarh	15	1	4	20	80	8268	09.05.03
4	Bhadrak	14	2	4	20	80	2421	02.02.02
5	Balangir	14	2	4	20	80	2494	02.02.02
6	Boudh	7	1	2	10	80	5804	21.03.03
7	Cuttack	12	4	4	20	80	2463	02.02.02
8	Deogarh	7	1	2	10	80	2488	02.02.02
9	Dhenkanal	15	1	4	20	80	3905	06.03.03
10	Gajapati	11	1	3	15	80	8295	09.05.03
11	Ganjam	13	3	4	20	80	9391	29.05.03
12	Jagarsinghpur	15	1	4	20	80	6049	26.03.03
13	Jajpur	15	1	4	20	80	14063	06.08.01
14	Jharsuguda	8	4	3	15	80	2476	02.02.02
15	Kalahandi	15	1	4	20	80	17446	10.10.01
16	Kandhamal	15	1	4	20	80	2445	02.02.02

17	Kendrapada	15	1	4	20	80	11150	25.06.03
18	Keonjhar	14	2	4	20	80	2439	02.02.02
19	Khurda	11	5	4	20	80	2415	02.02.02
20	Koraput	13	3	4	20	80	17107	16.11.01
21	Malkanagiri	11	1	3	15	80	17326	08.10.01
22	Mayurbhanj	15	1	4	20	80	17332	08.10.01
23	Nawarangpur	15	1	4	20	80	19177	16.11.01
24	Nayagarh	15	1	4	20	80	2457	02.02.02
25	Nuapada	11	1	3	15	80	2470	02.02.02
26	Puri	14	2	4	20	80	2433	02.02.02
27	Rayagada	14	2	4	20	80	2409	02.02.02
28	Sambalpur	11	5	4	20	80	2451	02.02.02
29	Sonepur	11	1	3	15	80	2500	02.02.02
30	Sundargarh	1	5	4	20	80	2427	02.02.02

2.3 Functions of District Planning Committee (DPCs)

According to the Odisha District Planning Committee Act (1998), the DPC performs the following functions:

- The District Planning Committee (DPC) consolidates the plans prepared by the *Panchayats* and Municipalities in the district and prepares an integrated Draft Development Plan for the district as a whole.
- While preparing the Draft Development Plan, the DPC has to give due regard to matters of common interest between the *Panchayats* and the Municipalities including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation.
- While preparing Draft Development Plan, DPC also consults such institutions and organizations as the Governor may desire, by order in that behalf.
- The Chairperson of DPC forwards the Development Plan to the State government with its recommendations.
- They have power to call for any information from any *Panchayat* and Municipality in the district and inspect the functioning there.

- They review the implementation of developmental Programme by *Panchayats* and Municipalities and make recommendations as deemed appropriate.
- The committee submitted the plan to the Department of Planning and Coordination of the State Government.

2.4 Details about the process of Planning and Approval

Palli Sabha prepares the plan which is scrutinized and approved by the *Gram Sabha*. The plan is sent to the *Panchayat Samiti* after being passed by the *Gram Panchayat*. The *Panchayat Samiti* consolidates plans received from different *Gram Panchayats* and sends to *Zilla Parishad* after its approval. The *Zilla Parishad* approves the same and sends to DPC for submission to the *Panchayati Raj* and Drinking Water Department of Odisha.

3. Role of Panchayats in Parallel Bodies

Every *Zilla Parishad* shall constitute a Standing Committee and nine Subject Committees. There are seven Standing committees constituted for *ZPs* and *PSs* and five for *GPs* to execute the functions of *Panchayats*. There are as follows:

- i. Planning, Finance, Anti-Poverty Programme Standing Committee.
- ii. Agriculture, Animal Husbandry, Soil Conservation, Horticulture, Watershed Development, and Fisheries Standing Committee.
- iii. Works, Irrigation, Electricity, Drinking Water Supply, and Rural Sanitation Standing Committee.
- iv. Health, Social Welfare including Women and Child Development Standing Committee.
- v. Public Distribution System, Welfare of Weaker Sections, Forest, Fuel and Fodder Standing Committee.
- vi. Handicrafts, Cottage Industries, *Khadi* and Village Industries, and Rural Housing standing Committee.
- vii. Education, Sports and cultural Standing Committee.

All these Standing committees have an elected representative as a Chairperson, Secretary as the Chief Executive Officer and a specified number of members. The committee meets as per the need of the situation and discussed issues which come under its purview and suggest remedial measures. Apart from the above mentioned nine Standing committees, there are Parallel bodies also which are created to provide effective and efficient implementation of programme/ activities in all three tiers of *Panchayats*. They support the decision making powers and effective functioning of *Panchayats* in the State. Further, a brief overview of roles of parallel bodies common to all three tiers of *Panchayats* can be expressed in Table 6.

Table 6: Role of Panchayats in Parallel Bodies/Institutions

S.No.	Status/Parallel Bodies	DRDA	Education	Water	Health and Sanitation	Agriculture Corporation	Tribal Development (ITDA)
1.	Parallel body merged with the Panchayat Institution	-	√	-	√	-	-
2.	Parallel body made an unit of the Panchayat Institution	√	-	√	√	√	√
3.	Function of parallel body limited to Fund/accounts Management	√	-	√	√	√	√
4.	Parallel body is Presided/ Chaired by Elected Representatives of the Panchayat	√	-	√	√	√	√
5.	Elected Representatives of Panchayats are represented in Board of the parallel body	√	-	√	√	√	√
6.	Parallel Body remains separate, but under the control of the Panchayat.	√	-	√	√	√	√
7.	Parallel Body remains separate and not under the control of the Panchayat Institution	√	-	√	√	√	√

Source: State Government of Odisha

Note: √ Control of Panchayat on Parallel Bodies

- No control of Panchayat on Parallel Bodies

4. Autonomy to Panchayats

The Orissa *Zilla Parishads* Act 1991, section 33 describes the disqualification of members of *Zilla Parishads*. The Orissa *Gram Panchayats* Act 1964, section 25 describes the disqualification of members of *Gram Panchayats*. The Orissa *Panchayats Samitis* Act 1960, section 45 describes the disqualification of members of *Panchayats Samitis*. Autonomy to *Panchayats* in Odisha can be traced through the below mentioned Table 7.

Table 7: Autonomy to *Panchayats* in Odisha

Category	Level of <i>Panchayats</i>	Suspend representatives / <i>Panchayats</i>	Resend for reconsideration of resolutions	Dismiss/Supersede/Dissolve/Quash
Representatives of	District <i>Panchayat</i>	State Government	*****	State Government
	Block <i>Panchayat</i>	State Government	*****	State Government
	Gram <i>Panchayat</i>	District collector	*****	State Government
<i>Panchayat</i> Bodies of	District <i>Panchayat</i>	State Government	*****	State Government
	Block <i>Panchayat</i>	State Government	*****	State Government
	Gram <i>Panchayat</i>	District collector	*****	State Government
Resolutions of	District <i>Panchayat</i>	State Government		State Government
	Block <i>Panchayat</i>	State Government		State Government
	Gram <i>Panchayat</i>	District collector		Sub-Collector
Is there any provision of charge sheet by State Government? (Yes/No)		Gram <i>Panchayat</i>	Block <i>Panchayat</i>	District <i>Panchayat</i>
		N.A	N.A	N.A

Note: N.A-Data not available.

5. Functions Assigned and Actual Involvement of Panchayats

Article 243G of the Constitution empowers *Panchayats* to function as institutions of self-government for the purposes of a) preparing plans for economic development and social justice for their respective areas and b) implementing schemes for economic development and social justice in their respective areas for various subjects including those twenty-nine functions listed in the Eleventh Schedule. However, the list is merely illustrative and indicative. Unlike the division of powers and functions, as spelled out in the Union and State List in the Constitution, no such clear demarcation exists between the State and *Panchayats*. It is for the State Legislature to make laws regarding the devolution of powers and functions

upon the *Panchayats*. As per the legislature of Odisha, the *Gram Panchayat* shows the greater involvement in all the functions of *Panchayats*. In general, all services can be performed and transferred to *GPs*. Some of the functions assigned to *Gram Panchayat* are listed below:

- i. Preparation of Indira Awas Yojana and Mo Kudia beneficiaries list.
- ii. Pisciculture.
- iii. Operation and Maintenance of Tube well.
- iv. Construction of Sanitary Latrine under Individual Household Latrines (IHHL) Scheme.
- v. Deals with National Family Benefit Scheme (NFBS)
- vi. Ensures smooth functioning of Integrated Child Development Services (ICDS) Scheme.
- vii. Ensures smooth functioning of Public Distribution System (PDS).
- viii. Ensures distribution of different types of pensions such as Indira Gandhi National Old Age Pension, Indira Gandhi National Widow Pension, Indira Gandhi National Disabled Pension.
- ix. Spread awareness about Disaster Management.
- x. Construction of Rural Cement Concrete (C C) Road under C C Road Scheme.
- xi. Construction of C C Road under *Gopabandhu Gramin Yojana* Scheme.

Table 8 represents the functions assigned to *Panchayats* & their actual involvement.

Table 8: Functions Assigned and Actual Involvement of *Panchayats* in Odisha

S. No.	Functions	Delegated by Legislature	Three-tier of Panchayats Actual Involvement		
			<i>Gram Panchayat</i>	Block <i>Panchayat</i>	District <i>Panchayat</i>
Core Functions					
1.	Drinking Water, Water Supply for Domestic Purpose	√	√	-	-
2.	Roads	√	√	-	-
3.	Culverts	√	√	-	-
4.	Bridges	√	√	-	-

5.	Ferries	√	√	-	-
6.	Waterways	√	√	-	-
7.	Other means of Communication	√	√	√	√
8.	Building Control	√	√	√	√
9.	Land Use and Building Regulation	√	√	√	√
10.	Maintenance of Community Assets	√	√	√	√
11.	Street Lighting, Parking Lots, Bus Stops	√	√	√	√
12.	Public Conveniences	√	√	√	√
13.	Parks, Gardens, Playgrounds (Civic Amenities)	√	√	√	√
14.	Primary Health Centre/Community Health Centre	√	√	√	√
15.	Sanitation & Solid Waste Management	√	√	√	√
16.	Cremation & Burial	√	√	√	√
17.	Public Safety (Noxious Vegetation, Pests & Vermin's)	√	√	√	√
	Welfare Functions				
18.	Poverty Alleviation Programmes	√	√	√	√
19.	Family Welfare	√	√	√	√
20.	Women & Child Development	√	√	√	√
21.	Social Welfare, Welfare of Handicapped & mentally retarded	√	√	√	√
22.	Welfare of the weaker sections, and in particular, of the Scheduled Castes & the Scheduled Tribes	√	√	√	√
23.	Public Distribution System	√	√	√	√
24.	Vital Statistics Including Registration of Births & Deaths	√	√	√	√
25.	Elementary Education	√	√	√	√

26.	Adult & Non-Formal Education	√	√	√	√
27.	Secondary Education	√	√	√	√
28.	Technical Training & Vocational Education	√	√	√	√
29.	Libraries	√	√	√	√
30.	Promotion of Cultural , Educational and Aesthetic Aspects	√	√	√	√
31.	Slum Improvement & Up gradation	√	√	√	√
32.	Fire Services	√	√	√	√
33.	Rural Housing	√	√	√	√
34.	Non-conventional Energy	√	√	√	√
	Agriculture and Allied Functions				
35.	Watershed Development	√	√	√	√
36.	Water supply for Agriculture Purpose, Minor Irrigation, Water Management	√	√	√	√
37.	Agriculture & Agricultural Extension	√	√	√	√
38.	Land Improvement	√	√	√	√
39.	Implementation of Land Reforms	√	√	√	√
40.	Land Consolidation	√	√	√	√
41.	Soil Conservation	√	√	√	√
42.	Animal Husbandry	√	√	√	√
43.	Dairying	√	√	√	√
44.	Poultry	√	√	√	√
45.	Fisheries	√	√	√	√
46.	Social Forestry	√	√	√	√
47.	Farm Forestry	√	√	√	√
48.	Minor Forest Produce	√	√	√	√
49.	Market & Fairs	√	√	√	√

50.	Regulation of Slaughterhouses	√	√	√	√
51.	Prevention of Cruelty to Animals	√	√	√	√
	Industries				
52.	Water supply for Commercial and Industrial Purpose	--	-	-	-
53.	Small Scale Industries	--	-	-	-
54.	Food Processing Industry	--	-	-	-
55.	Khadi, Gram & Cottage Industry	--	-	-	-
56.	Rural Electrification & Distribution	--	-	√	-

Source: State Government of Odisha

Note: - Functions not transferred to Panchayat

-- Not delegated by legislature

√ Functions assigned to Panchayat

6. Involvement of Panchayats in Important Schemes

At the rural level, direct involvement of *Panchayats* is important to implement the various schemes of the Union and State government. Mission *Antyodaya* is a framework of convergence and accountability with an objective to converge various schemes of government with *Gram Panchayats* on grassroots level for effective use of human and financial resources to ensure a sustainable livelihood. It is a State-led initiative for transforming rural India. It covers 30 districts, 314 blocks, 4622 *Panchayats* declared under the Mission and 1468 *Panchayats* marked in Nregasoft till 2018. A brief representation of schemes and involvement of different tiers of *Panchayats* in Odisha is mentioned in Table 9.

Table 9: Involvement of Panchayats in Important Schemes & Scheme Based Performance Measures in Odisha

Sl. No	Important Union Government Schemes	Levels of Panchayats Actually undertaking in each scheme		
		Gram Panchayats	Block Panchayats	District Panchayats
A.	Centrally Sponsored Schemes			
1.	National Social Assistance Program (NSAP)	-	-	-
2.	Mahatma Gandhi National Rural Employment Guarantee Programme (MNREGP)	√	√	√
3.	Scheme(s) for Development of Scheduled Castes	-	-	-
4.	Scheme(s) for Development of Scheduled Tribes	-	-	-

5.	<i>Pradhan Mantri Krishi Sinchai Yojana</i> (PMKSY)	-	-	-
6.	Green Revolution- <i>Krishonnatti Yojana</i>	-	-	-
7.	White Revolution- <i>Rashtriya Pashudhan Vikas Yojana</i>	-	-	-
8.	Blue Revolution(Integrated Development of Fisheries)	-	-	-
9.	<i>Pradhan Mantri Gram Sadak Yojana</i> (PMGSY)	√	√	√
10.	<i>Pradhan Mantri Awas Yojana-Gramin</i> (PMAY-G)	-	-	-
11.	National Rural Drinking Water Mission(NRDWM)	-	-	-
12.	National Rural Health Mission (NRHM)	√	√	√
13.	<i>Swachh Bharat Mission-Gramin</i> (SBM-G)	-	-	-
14.	National Programme of Mid-Day Meal in Schools	-	-	-
15.	Integrated Child Development Services (ICDS)	-	-	-
16.	<i>Deendayal Antyodaya Yojana</i> -National Rural Livelihood Mission (DAY-NRLM)	-	-	-
17.	<i>Rashtriya Swasthya Bima Yojana</i>	-	-	-
18.	National Education Mission (NEM)	-	-	-
19.	<i>Shyama Prasad Mukherji</i> Rurban Mission(SPMRM)/National Rurban Mission (NRuM)	-	-	-
20.	<i>Rashtriya Gram Swaraj Abhiyan</i> (RGSA)	-	-	-
21.	<i>Pradhan Mantri Sahaj Bijli Har Ghar Yojana</i> (Rural) PM-SAUBHAGYA	-	-	-
22.	<i>Pradhan Mantri Annadata Aay Sanrakshhan Abhiyan</i> (PM-AASHA)	-	-	-
23.	National Mission for Sustainable Agriculture (NMSA)	-	-	-
B.	Central Sector Schemes			
1.	Crop Insurance Scheme (<i>Pradhan Mantri Fasal Bima Yojana</i>)	-	-	-
2.	Interest Subvention Scheme (for Short Term Credit to Farmers)	-	-	-
C.	Other Schemes	-	-	-
1.	<i>Deen Dayal Panchayati Raj</i> Infrastructure Scheme	-	-	-
2.	<i>Deen Dayal Upadhyaya Gram Jyoti Yojana</i>	-	-	-
3.	National e-Governance Programme (NeGP)	-	-	-
D.	State Government Schemes			

1.	Pension Schemes	√	√	-
2.	Health and Sanitation	√	√	-
3.	Agriculture and Employment	-	-	-
4.	Any other (specify)			
Scheme Based Performance Measures		Gram Panchayat	Block Panchayat	District Panchayat
1	Number of <i>Panchayats</i> availing Action Soft (a scheme implementation & monitoring software) or any such equivalent application in place	-	-	-
Mission Antyodaya		2016-17		2017-18
2	Number of <i>Panchayats</i> covered under Mission <i>Antyodaya</i> in the following financial years	-		1342
3	Number of <i>Antyodaya Panchayats</i> marked on NREGA soft portal in the following financial years	-		1468

Source: State Government of Odisha

Note: -: Scheme not undertaken by Panchayat

Apart from the above mentioned important schemes, there are some other schemes implemented at three-tiers of *Panchayats* in Odisha are following:

- i. *Indira Awas Yojana* and *Mo Kudia: Palli Sabha*¹ prepares the Beneficiaries list of *Indira Awas Yojana (IAY)* & *Mo Kudia*, and prioritizes works to be done under MGNAREGA.
- ii. *Pisciculture: Panchayats* go for auction of Ponds located in its jurisdiction for the Development of *Pisciculture*.
- iii. Organisation and Maintenance (O & M) of Tube well.
- iv. Individual Household Latrines (IHHL) Scheme: All the three tiers of *Panchayats* select house-holds in which Individual household sanitary latrines are to be constructed.
- v. ICDS Scheme: *Panchayats* supervise the work of *Anganwadi* Centres and recommends for the opening of New *Anganwadi* Centres, if Necessary.
- vi. Public Distribution System (PDS): *Panchayats* ensures that Public Distribution system runs smoothly and *Panchayats* are also appointed as Dealers for PDS.

¹ According to Orissa *Gram Panchayat Act* (1964), every 'Gram Sabha' constituted is divided into wards and for every such ward, a *Palli Sabha* is constituted.

- vii. Distribution of different types of pensions such as Indira Gandhi National Old Age Pension, Indira Gandhi National Widow Pension,, Indira Gandhi National Disabled Pension
- viii. Spread awareness about Disaster Management: *Panchayats* have undertaken the task of spreading awareness among the people about the Disaster Management measures.
- ix. Construction of Rural C C Road under C C Road Scheme: *Panchayats* construct C C Roads under C C Road Scheme in different Villages and *Gopabandhu Gramin Yoiana* Scheme.
- x. Special Development Programme (SDP): The scheme is introduced by the State government during the year 2012-13. It follows (Members of Parliament Local Area Development) MLALAD scheme guidelines. Since 2012-13, Rs 514.50 Cr has been released to all districts by the State government upto the year 2018-19 against 17,269 sanctioned projects like building of *Kalyan Mandap* and *Anganwadi Centres*, etc.

7. 14th Finance Commission (FC) Grants: Basic and Performance Grants

The 14th FC was constituted by the President of India on 2nd January 2013 to shows sensitivity towards the needs of *Panchayats* and suggests recommendation on devolution of funds for the period 2015-20. The Commission provides transfer of funds to the local government as required by their respective statutes. The 14th FC recommended Rs. 2, 00,292.2 crores for *Panchayats* for the award period 2015-20 constituting an assistance of Rs. 488 per capita per annum at an aggregate level. The grant is divided in two components namely- a basic grant and a performance grant for duly constituted *Gram Panchayats* i.e. 90 percent and 10 percent respectively. In other words, Rs. 1,80,262.98 crores was the Basic Grant and Rs.20029.22 crores was the Performance Grant for 26 States. The status of year-wise allocation of grants to the *Panchayats* in Odisha under 14th FC is evident in Table 10.

- In the financial year, 2015-16 total grant was given to *Panchayats* in Odisha was Rs. 955.52 cr. In 2016-17 the amount transferred to *Panchayats* was Rs.1496.64 cr.
- In the financial year, 2017-18 total grant was given to *Panchayats* in Odisha was Rs. 1725.11cr. In 2018-19 the amount transferred to *Panchayats* was Rs. 1991.48 cr.
- In the financial year, 2019-20 total grants given to *Panchayats* in Odisha are Rs. 2681.59cr.

Table 10: Year-wise allocation of Grants under 14th FC (2016-17 to 2019-20) to Panchayats in Odisha

(Rs. crores)

Financial Year(s)	Basic Grant	Performance Grant	Total Grant
2015-16	955.52	0	955.52
2016-17	1323.09	173.55	1496.64
2017-18	1528.71	196.40	1725.11
2018-19	1768.44	223.04	1991.48
2019-20	2389.54	292.05	2681.59
2015-20 (Entire Award Period)	7965.28	885.03	8850.31
% Share of Odisha (Among all States)	4.42	4.42	4.42

The grants recommended by 14th FC was intended to be used to improve the status of basic services including water supply, sanitation, including sewerage and solid waste management, storm water drainage, maintenance of community assets, maintenance of roads, footpaths and street-lighting, and burial and cremation grounds, and any other basic service within the functions assigned to them under relevant legislation. The 14th FC releases the basic grants to three tiers of Panchayats of the State for five years in two installments, i.e. June/ July and October/ November of every Financial Year. GPs were also permitted to spend up to 10% of the allocation towards administrative and technical components of O&M and capital expenditure. The GPs are empowered to take up the projects on need based basis by preparing the 5 years prospective and Annual Gram Panchayat Development Plan and maintain proper accounting procedure and guidelines as mentioned in the OGP act and rules. Table 11 shows the basic grants awarded to Panchayats in Odisha under 14th FC.

Table 11: Basic Grants awarded to Panchayats in Odisha

(Rs. Crores)

Installments of 14 th FC Grants	14 th FC Grants Released by Govt. of India		Released by State	
	Amount (In Rs. Crores)	Received by State on DD/MM/YYYY	Amount (Rs. Crores)	Released to Panchayats on DD/MM/YYYY
1 st for the year 2014-15	GABG-198.11	09/07/2014	198.11	15/07/2014
1 st for the year 2014-15	SABG-9.70	22/07/2014	9.70	28/07/2014
2 nd for the year 2014-15	235.02	26/02/2015	235.02	03/03/2015
1 st for the year 2015-16	477.76	13/07/2015	477.76	30/07/2015

2 nd for the year 2015-16	477.76	01/02/2016	477.76	06/02/2016
1 st for the year 2016-17	1146.23	10/06/2016	1146.23	20/06/2016
2 nd for the year 2016-17	1146.23	09/11/2016	1146.23	19/11/2016
1 st for the year 2017-18	764.35	19/06/2017	764.35	19/06/2017
2 nd for the year 2017-18	764.35 (Released)	10/10/2017	764.35	20/10/2017
1 st for the year 2018-19	884.22 (Released)	13/06/2018	884.22	25/06/2018
2 nd for the year 2018-19	884.22 (Released) ²	24/10/2018	884.22	02/11/2018
1 st for the year 2019-20	1194.77 (Released)	06/06/2019	1194.77	18/06/2019
2 nd for the year 2019-20	1194.77* (Not Released)	-	-	-

Source: State Government of Odisha

Note: - Not available/assigned

* Recommended to Ministry of Finance by 14th FC as on 11/10/2019

The performance grant was to be disbursed from the second year of the award period. That was 2016-17 for 14th FC. The grants are received once in a year. The undisbursed amount was to be distributed equally among eligible *Gram Panchayats*. As per the data received from State government, total 6211 *GPs* in 2015-16 have submitted their Audited Annual Account Report out of which 2021 *Panchayats* reflects increase in own sources of revenue. Table 12 shows the *Gram Panchayats* in Odisha qualified for the release of performance grants from 2017-19 based on fulfilling certain performance parameters as prescribed by 14th FC.

Table 12: Performance Grants awarded to *Gram Panchayats* in Odisha

Performance Grants	2017-18	2018-19
Grants released to <i>Gram Panchayats</i>	Yes	No
Number of <i>Gram Panchayats</i> which have scored 71 and above and got 100 % of allocation	326	0
Number of <i>Gram Panchayats</i> which have scored between 61 and 70 and got 80 % of allocation	440	0
Number of <i>Gram Panchayats</i> which have scored between 50 and 60 and got 70 % of allocation	647	0

² Released on pro-rata basis on the basis of information provided by the State Government

Number of <i>Gram Panchayats</i> which have scored up to 49 and got 50 % of allocation	1413	0
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Source: State Government of Odisha

8. State Finance Commission (SFC)

The SFC is formed under the article 243-I, which is observed as the sub-national equivalent of the Union Finance Commission formed under article 280 of the Constitution. It expires every fifth year or earlier. The Government of Odisha has constituted total four SFC till 2018 are as follows:

- i. The First State Finance Commission of Odisha was constituted in 21st November 1996 with Justice Mr. S.K. Mohanty as chairman and four other members. According to the First SFC of Odisha Action Taken Report (ATR) submitted in 1999, the Commission could not complete its report due to various reasons even though the last date of submission i.e. 31st May 1998. Then, Finance Department of Odisha reconstituted the Commission on August 1998 (Notification No.36091/F) with Prof. Baidyanath Mishra as the Chairman and four other members. The Commission was asked to submit its report by 31st December 1998 which covers a period of 1998-99 to 2004-05.
- ii. The Second SFC was constituted under the chairmanship of Mr. Trilochan Kanungoon, Member of Parliament on 5th June 2003 and submitted the report on 29th September 2004 for the next 2005-06 to 2009-10 period.
- iii. The Third SFC was constituted under the chairmanship of Prof. Sudhakar Panda, former Professor of Economics, Utkal University, Bhubaneswar on 10th September 2008 and submitted its report on 31st January 2010 for the next 2010-11 to 2014-15 period.
- iv. The Fourth SFC was constituted under the chairmanship of former bureaucrat Mr. Chinmay Basu on 30th October 2013 and submitted the report in September 2014 for the next 2015-16 to 2019-20 period.
- v. The Fifth SFC was constituted on 5th May 2018 for the 2020-21 to 2024-25 period and was headed by retired IAS officer and former State Election Commissioner Mr. Rabinarayan Senapati as its chairman.

Table 13 shows SFC reports submitted to Government of Odisha.

Table 13: Formation of State Finance Commission in Odisha.

	Period Covered by SFC	Date of Formation of SFC Report	Date of Submission of SFC Report	Date of ATR laid before the Legislature
1 st SFC	1998-99 to 2004-05	21 November 1996/ August 1998*	3 December 1998	9 July 1999
2 nd SFC	2005-06 to 2009-10	5 June 2003	29 September 2004	11 August 2006
3 rd SFC	2010-11 to 2014-15	10 September 2008	31 January 2010	17 February 2011
4 th SFC	2015-16 to 2019-20	30 October 2013	September 2014	16 February 2015
5 th SFC	2020-21 to 2024-25	5 May 2018	-	-

Source: State Government of Odisha

Note: * No Specific period of coverage has been prescribed.

9. Money Transfers to Panchayats on account of the SFC in Odisha

The SFCs are constituted in Odisha in every five years since 1998 to recommend and aggregate distribution of State resources among the local governments – both *Panchayat* and Municipalities. The SFC also recommends the ways and means to increase the tax base of *Panchayats* and allocations of State net tax receipts to and among the *Panchayats*. Table 14 shows money transfers to *Panchayats* on account of the SFC recommendations in Odisha.

Table 14: Money Transfers to Panchayats on account of the SFC recommendations in Odisha

Financial Year	(Rs. Lakhs)			
	Amount Recommended	Amount Budgeted	Amount Sanctioned	Amount Released
2014-15	58400.00	70212.56	68056.72	68056.72
2015-16	122213.00	122477.75	122477.75	122477.75
2016-17	134434.00	135870.47	135870.47	135870.47
2017-18	147925.00	150901.44	150901.44	150901.44
2018-19	161636.00	164607.78	164607.78	164607.78

Source: State Government of Odisha

Odisha has constituted four SFCs till 2019 and fifth SFC report is in progress. The State has total of 7,142 *Panchayats*, of which 30 are *Zilla Panchayats*, 314 *Janpad Panchayats*, and 6,798 *Gram Panchayats*. All three-rungs of *Panchayats* devolves 29 functions of *Panchayats* prescribed in the 11th Schedule of Constitution and released the funds as per the recommendation of SFC report accepted by Governor of the State. SFCs of all generations have recommended various types of Grants which are as follows:

The First SFC Report (2000-05) of Odisha gives the following recommendations:

- Recommended to empower *GPs* to levy building tax, lighting tax and drainage tax.
- Recommended inter-se distribution of devolution amongst three tiers of *Panchayats* is to be in the ratio of 50:25:25. It is based on population, category, and number of units like *Gram Panchayat* and *Panchayat Samities*, etc.
- Fixed amount of Rs. 2 crores would be assigned to *PSs* and *GPs* of Tribal Sub-Plan (TSP) areas and inter-se distribution be made on the basis of population.
- Allocation of funds to among *ZPs* instead of District Planning Units for the utilisation on creation of capital assets in deficient areas.
- Recommended special purpose grants of minimum Rs. 5 lakhs provide for organizing training programmes for the officials and elected representatives of all three tiers of *Panchayats* in their respective jurisdictions.

The Second SFC Report (2005-10) of Odisha gives the following recommendations:

- Recommended 10 percent of the average of State's Gross Own Tax Revenue from 1999-2000 to 2001-2002 which comes to Rs.211.83 crore for devolution to the *Panchayats*.
- Recommended 10 percent of the Gross Own Tax Revenue of the State for the year 2002-03 minus the Devolvable amount i.e. Rs.171.47 crores (Rs. 383.30 – Rs. 211.83) towards grants-in-aid for different specific problems.
- Recommended transfer of Rs. 1256.29 crore to local government in place of Rs. 735.43 crore by the State government.

The Third SFC Report (2010-15) of Odisha gives the following recommendations:

- Recommended 15 percent of the average own Gross Tax Revenue of the State government at Rs. 896.17 crores per annum to be devolved to the local government for providing public services and undertaking local development.
- Recommended devolution of amount among *Panchayat* and Municipalities in the ratio of 75:25.
- Recommended transfer of Rs.7126.5 crore to local government during its award period from 2010 to 2015, out of which Rs.5585.19 crore (78.4%) was to be received by the *Panchayats* and Rs.1541.31 crore (21.6%) by the ULBs.

- Recommended transfer of total amount of Rs.293.56 crore to bear the salary component of officers and staff of *Panchayats* recruited by Govt., honorarium, sitting fees, T.A. & D.A. of elected representatives and other expenditure as usual.
- Awards/incentives of Rs.3.60 crore were recommended for model/best *Gram Panchayat*, *Panchayat Samitis* and *Zilla Parishads* over the entire award period.

The Fourth SFC Report (2015-20) of Odisha gives the following recommendations:

- Recommended to exclude the entry tax, entertainment tax and motor vehicle tax from the sharable pool and assign a part of these taxes to the local government directly.
- Recommended to limit the total transfer to the local bodies within 10 percent of net visible pool of state taxes projected for the award period from 2015-20.
- Recommended the amount to be devolved in the local bodies are basis of size, density and the percentage of population below poverty line, literacy rate and SCs & STs concentration.
- Recommended allocation of an additional amount 20 percent to the *Panchayat* under Tribal Sub-Plan (TSP) area out of the total devolution and some specific grants for *Panchayats*.
- Recommended inter-se distribution of devolution amongst three tiers of *Panchayats* is to be in the ratio of 75:20:05. It is based on population, category, and number of units like *Gram Panchayat* and *Panchayat Samities*, etc.

Table 15 shows the types of grants recommended by SFCs in Odisha.

Table 15: Types of Grants Recommended by SFCs in Odisha

SFC	Types of Grants
First SFC	<p>General Purpose Grant</p> <ul style="list-style-type: none"> ▪ Fixed amount of Rs. 2 crores would be assigned to PSs and GPs of Tribal Sub-Plan (TSP) areas and inter-se distribution be made on the basis of population. ▪ Allocation of funds to among ZPs instead of District Planning Units for the utilisation on creation of capital assets in deficient areas. <p>Special Purpose</p> <ul style="list-style-type: none"> ▪ For organizing training programmes for the officials and elected representatives of all three tiers of <i>Panchayats</i> in their respective jurisdictions.
Second SFC	<p>General Purpose</p> <p>Special Purpose</p> <ul style="list-style-type: none"> ▪ Plantation Purpose ▪ Grant to each ZPs, each year, to be spent on Medical Plant/ Agro-forestry Project in one GP each year. <p>Maintenance</p> <ul style="list-style-type: none"> ▪ Road maintenance grant

Third SFC	<p>Special purpose</p> <ul style="list-style-type: none"> ▪ Kendu Leaf Grant ▪ Sairat Grant ▪ Cess on Land Revenue Grant ▪ Incentive Grant
Fourth SFC	<p>Special Purpose</p> <ul style="list-style-type: none"> ▪ Odisha Kendu Leaves Grants should be either shared with the pluckers instead of Panchayats or it should be withdrawn completely. ▪ The Commission does not consider the continuance of Sirat Grants and MFP worthwhile and recommends that it should be stopped. ▪ An additional amount of 20% to the <i>Panchayats</i> under TSP areas out of the total devolution and some specific grants for <i>Panchayats</i>.

10. Empowerment of Panchayats to Impose and Collect Revenue

In Odisha, the *GPs* have the major taxation powers as compared to the other two tiers viz. *Zilla Parishad* and *Panchayat Samitis*. Tax revenues collected by the *Gram Panchayat* through tax and non-tax sources is called own tax revenues. Own tax revenue of *GPs* includes the major three taxes although it varies from one State to another: (i) Land and building tax/House tax (LBT) (ii) Profession tax, (iii) Entertainment tax, (iii) Advertisement tax. There are different types of non-tax revenue that *GPs* are authorized to levy. These taxes are important contributor in the sources of state finances. Table 16 shows the empowerment of taxation handle of three-tier of *Panchayats* in Odisha.

Table 16: Empowerment of Taxation Handles of *Panchayats* in Odisha

Odisha	Taxes	Levied Collected	Appropriated	Deposited	Provisions	Non-Taxes	Levied Collected	Appropriated	Deposited	Provisions
(Gram Panchayat-V; Panchayat samiti-I; Zilla Parishad-D)	Vehicle tax	V	V	GF	S/83, S/86	Income from endowments, trusts	I, D	-	IF, DF	S/29(ii i) Orissa Panchayat Samiti Act, 1999
• Orissa Gram Panchayat Act, 1964	Conservancy tax	V	V	GF	S/83	Power to levy fees under S/55 ³ & S/56 ⁴				S/57
S/83-Taxation by G.P	Drainage tax	V	V	GF	S/83	Ferry rate	V	V	GF	S/72-Appropriation of income of ferries
S/93-Gram Fund	Land cess	V	V, D	GF, DF	S/93(V) S/15(D)	Water rate	V	-	GF	S/83(d)
• Orissa Panchayat Samiti						Lightning rate	V	-	GF	S/83(e)
						Fee on private	V		GF	S/83(g)

³ S/56, Orissa Gram Panchayat act, 1964 Industries and factories including dangerous and offensive trades

⁴ S/57, Orissa Gram Panchayat act, 1964 Control over

<i>i</i> Act, 1999 S/29- Sources of income for <i>panc hayat samiti</i> • Orissa <i>Zilla Parishad</i> Act, 1994 S/15- Sources of income for <i>Zilla Parishad</i> .	market s, cart-stands and slaughter houses within gram				
	Fee on animals brought for sale into or sold in a public market (Gram)	V		GF	S/83(h)
	Rent from dealers ⁵	V	V	GF	S/83(l)
	Licence fees for brokers, commission agents, weighmen and measures	V	V	GF	S/83(m)
	Fee for use of any	V	VI	GF	S/83(j) S/58(2)

⁵ "Dealers", who are temporarily occupying open grounds or any structure belonging to *GP*.

		infrastr ucture in market)(b) ⁶
		Incom e from propert y, Institut ion, undert aking.	-	-	GF	S/93(e)
		Fee for regulat ing the move ment of cattle (protec tion of crops)	V	-	GF	S/83(i)

11. GST Implications on Panchayats in Odisha

The Government of India had passed the Goods and Services Tax Act, (GST) in 2017 and *Panchayats* in Odisha has adapted it from 2017 onwards. The Odisha State GST Act, 2017 makes provision to levy and collect tax on intra-State supply of goods or services or both by the State of Odisha and the matters connected therewith. The legislation has also affected the tax-handles of *Panchayats* in the State. According to the Annual report of Odisha (2018-19), the Government of Odisha expected State Goods and Services Tax (SGST) to be the largest component of Odisha's own tax revenue. It is expected to generate Rs 12,000 crore (42% of the own tax revenue). Table 17 represents the major alterations in tax-handles of *Panchayats* of Odisha post-GST.

⁶ S/58(2)(b) Markets

Table 17: Major Alterations in Tax-handles of Panchayats of Odisha post-GST

Selected Sample States	Important/major changes in tax handles of Panchayats in State			(As per the State GST Act)
	Pre-GST	Post- GST		
	Taxes	Subsumed	Status	
Odisha •Orissa Gram Panchayat Act, 1964 •Orissa Panchayat Samiti Act, 1999 •Orissa Zilla Parishad Act, 1994 •Odisha State GST Act,2017 •Orissa Entertainment Tax Act, 2005, •Orissa Entertainment Tax Act, 2005,	Entertainment Tax	✓	Repealed Odisha Entertainment Tax Act, 2005,	S/51 C/1 (b) – TDS- The Government may mandate local authority to deduct tax at source or TDS at the rate of 1 per cent from the payment made to the supplier /deductee of taxable goods & services ,where the total value of such supply > INR 2,50,000/- S/52 C/1 -Collection of Tax at source S/174 C/1-Repeal of following taxes namely- a)Odisha Value Added Tax Act, 2004 so far as it relates to the goods other than the goods appearing in Entry 54 of List-II of the Seventh Schedule to the Constitution, b)Odisha Entry Tax
	Tax on Profession, trades and callings	-	Rates revised for Dealer registered or not registered under Orissa Vat Act, 2002 or Orissa GST Act, 2017. i)Does not exceed rupees 20 lacs(Nil) ii)Exceed rupees 20 lacs(2500) ⁷	

⁷ Odisha state tax on Professions, trade and calling, employment amendment act 2018.

		<p>Act, 1999,</p> <p>c) Odisha Entertainment Tax Act, 2005,</p> <p>d) Odisha Luxury Tax Act, 1995.</p> <p><u>Schedule III S/3 C/a-</u></p> <p>Exemption of functions performed by M.P/MLA/<i>Panchayat</i> members from both Goods & Services Category</p>
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12. Expenditure of Panchayats in Odisha

During the year 2018-19 (Revised Estimate), a total fund of Rs. 3,49,242 lakhs was transferred to the three rungs of *Panchayats* i.e. Rs. 37391.15 lakhs for *Zilla Parishads*, Rs. 57884.08 lakhs for *Panchayat Samiti* and Rs. 253966.77 lakhs for *Gram Panchayats* within State Budget (2018-19). Table 18 represents the expenditure data of three-tier of *Panchayats* in Odisha.

Table 18: Expenditure of *Panchayats* in Odisha

Expenditure of <i>Panchayats</i> (Average of 2012-13 to 2017-18)				Rural Population 01/04/2018	(Rs. in crores) Per-capita Expenditure
<i>Zilla Parishad</i>	<i>Panchayat Samiti</i>	<i>Gram Panchayat</i>	Total	35787108 crores	1093.3
283.8	819.3	2809.7	3912.8		

13. Gram Sabha

According to Orissa *Gram Panchayat* Act 1964 section 4, the *Gram Sabha* must be constituted for every village. *Gram Sabha* is necessary for the *Panchayats* that preserves the traditions and customs of the people, their cultural identity, community resources and the customary mode of dispute resolution. It is one of the significant instruments for transparency, accountability and for the involvement of the weaker or marginalized section of society. Some variations have been noted in the provisions by States in devolving powers to

the 'Gram Sabha'. It exercises the powers and performs functions at the village level as the legislature of a State may, by law, provide. As per the section 4(3), the office and headquarter of *Gram Sabha* situated within the limits of village otherwise, as per the order of State government.

13.1 Gram Sabha Meetings

The Orissa *Gram Panchayat* Act 1964, Section 5 (1) mandates at least two meetings of *Gram Sabha*: one in February and other in June every year. As per Section 5 (2) of Act, the quorum of meetings of *Gram Sabha* shall be one-tenth of total number of members of the *Gram Sabha*. However, as per the notification dated 5th December 2002 of the *Panchayati Raj* Department of Odisha the quorum shall include one-third of the women members. In scheduled area, the *Gram Sabha* is empowered to work on its own social tradition culture, public wealth and conflict resolution as per the traditional rules and customs keeping balance with Human Rights and Fundamental Principles with appropriate enforcement of the law or through creating an atmosphere of peace.

13.2 Powers and Functions of Gram Sabha

According to the Orissa *Gram Panchayat* Act 1964, the *Gram Sabha* may perform following functions:

- i. To enact a law to ban the sales and consumption of any kind of intoxicants or use that in a controlled manner;
- ii. If any person of the village has occupied the land of Scheduled Tribes in fraudulent manner *Gram Sabha* has the power to take appropriate steps to recover it from unauthorized occupants;
- iii. Have ownership right on minor forest product;
- iv. To approve the plans, programmes, projects for social and economic development before such plans, programmes and projects are taken up for implementation by the *GP*;
- v. To identify and select persons under the poverty alleviation or similar programmes;
- vi. To consider and approve the annual budget of the *GP* including the supplementary or revised budget;
- vii. To consider levy of rents, fees and enhancement of rates thereof;
- viii. To organizes community services, drawing up and implementation of agricultural production plans;

- ix. To consider all such matters as may be referred to it by the *GP* for its decision;
- x. To call for information and data from the *GP* as it may consider necessary and consider such other matters as may be prescribed;
- xi. To approve BPL beneficiary list prepared by the *Palli Sabha*;
- xii. At the village level Social Audit is conducted by the Social Audit Committee (SAC);
- xiii. To nominate the members of the SAC who are normally MGNREGS workers.

The members are nominated during meeting of *GPs* held every year in the month of February and the SAC remains valid till the close of next financial year. The SAC consists of 10 current or previous MGNREGS members.

14. Gram Panchayat Development Plan (GPDP)

At the institutional level of *Gram Panchayats*, the 14th FC award has created an enormous opportunity for responsive local governance. It is constitutionally mandated for all *Gram Panchayats* to prepare their *Gram Panchayat Development Plans (GPDP)* for economic development and social justice to utilizing locally available resources. In 2015, the Ministry of *Panchayati Raj* (MoPR) prepared model guidelines for GPDP and circulated the same to all the States where Part IX of constitution is applicable. Based upon these model guidelines, all the states notified their State-specific guidelines for GPDP. The campaign initiated under "*Sabki Yojana Sabka Vikas*" is an intensive and structured exercise for planning at *Gram Sabha* through convergence between *Panchayats* and concerned Line Departments of the State.

The *Panchayats* in Odisha has initiated the GPDP in 2015 under the name of "*Ama Gaon Ama Yojana (AGAY)*" and issued guideline dated on 3rd December 2015 by *Panchayati Raj* Department. The AGAY identifies the officials directly available to *GP* and the officials of other departments available with *GP* are to be actively involved in the preparation of plans. A block- level official is nominated to each of the *GP* as a nodal officer who will monitor the planning activity. At the *GP* level, *Sarpanch* conducts series of meetings with the front line functionaries (ASHA, ANM, School teacher, AWW), key people, NGOs and others to ensure their participation and involvement in development of AGAY. The planning committees at the *GP* level are expected to play a major role in the development of AGAY.

During the year 2015-2020, a total number of 25,394 GPDP has been approved and uploaded on PlanPlus software under "Sabki Yojana Sabka Vikas" campaign. Till 31st December 2018, only 6,798 GPDP have formulated in Odisha and the same is being integrated on the PlanPlus Software. Odisha has also formulated a State level Steering Committee for convergence of GPDP-14th FC & SHG. According to the data received from State Government, 6801 out of 6801 GPs in year 2017-18 and 6728 out of 6798 GPs in year 2018-19 have been uploaded their GPDP on PlanPlus portal. Table 19 represents a consolidated status of Peoples Plan Campaign in Odisha.

Table 19: Consolidated Status of Peoples Plan Campaign in Odisha
(as on 07/01/2019)

Peoples Plan Campaign (PPC) Important Credentials	Number	Per Cent
Gram Sabha Scheduled	2216	32.6
Gram Sabha Held	2216	32.6
GPDP Approved as per Facilitator's Feedback	33	0.5
GPDP uploaded on PlanPlus	64	0.9
GPDP under process on PlanPlus	70	1.0
Total GPDP (Uploaded & Under process)	134	2.0

15. Transparency and Anti-corruption

All three rungs of *Panchayats* of Odisha provide information to the public under the Right to Information (RTI) Act, 2005 are as follows:

Information Officer under RTI Act at each *Panchayat*

In Odisha, the *Gram Panchayat (Prasar Adhikar)* Extension Officer (GPEO) is the information officer at the district *Panchayat* and Additional Project Director (APD) at the block *Panchayat*. The *Panchayat (Prasar Adhikari)* Executive Officer (PEO), officer designated by Block Development Officer (BDO) is the information officer at the village *Panchayat*.

Ist Appellate Authority under RTI Act:

The State Information Commission (SIC) at District *Panchayat* and Project Director at Block *Panchayat* are the Ist Appellate Authority. At the *Gram Panchayat* level, the BDO is the Ist Appellate Authority under RTI Act.

IInd Appellate Authority under RTI Act:

The State Information Commission (SIC) is IInd Appellate Authority for all the three-tiers of *Panchayats*.

In order to establish a transparent and corruption free process, the three tiers of *Panchayats* in Odisha discloses the following information:

- Income and Expenditure Statement of *GPs* is distributed to every household every year.
- Statement of Accounts of Block *Panchayat* is distributed in every monthly meeting.
- Statement of Accounts of *Zilla Panchayat* is distributed in General Body Meeting.
- Annual Administrative Report: *GP* submits report to Block *Panchayat*, which is consolidated at block level and then submit it to *ZP*. District *Panchayat* consolidates block reports at District level and submits to State Government. These reports of all *ZPs* are submitted to Legislature.
- The information can be communicated to the public through notice boards, newspapers, public announcements, media broadcasts, the internet Wall painting, Hoarding, PIM, SA meeting and any other means in the local language.

The 'Citizens Charter' at each level of *Panchayats* have a provision of a) List of services, b) Procedure for obtaining the service, c) Time required for providing service and d) Grievance Redressal Mechanism (GRM). The complaints of the *Panchayats* are undertaken by Ombudsman. In the year 2012-13, 240 complaints were received against elected representatives and 120 complaints were received against *Panchayat* officials for further action. The *Panchayati Raj* Department in Odisha has also issued a *Panchayat* help Line for GRM under Right to Public Service Delivery Act. The Monday of every week is mandatory for Grievance day.

16. Infrastructure of Panchayats (Physical & Digital)

The physical infrastructure is the basic requirement of *Panchayats* to provide effective governance and day-to-day functioning. During 2018-19, total 12 new *GPs* buildings are targeted for construction and 10 *GPs* buildings are targeted for renovation under *Rashtriya Grama Swaraj Abhiyan* (RGSA). According to the data provided by Ministry of *Panchayati Raj* (MoPR), only 245 *Panchayats* governed without building in Odisha. Table 20 mentioned below shows number of trainees of *Panchayat* Functionaries & elected representatives in Odisha since 2014.

Table 20: Training of Panchayat Functionaries & Elected Representatives in Odisha

Year	Number of Functionaries & Elected Representatives
2014-15	17479
2015-16	23882
2016-17	105494
2017-18	41795
2018-19	95040
Total Trainees	283690

17. Training Institutions / Activities

The Ministry of *Panchayati Raj*, Government of India supports the State in designing local solutions, designing training programmes, develops software for activities like tax management and networking. The ministry undertakes analysis of the State trends to identify the initiatives and drives. The ministry also conducts experience sharing workshop and design incentive packages at all the three tiers of *Panchayats*. Capacity building and training to the elected representatives of PRIs and other stakeholders is important for the holistic development of the *Panchayats*. The programme called Rajiv Gandhi *Panchayat Sashaktikaran Abhiyaan* (RGPSA) renamed now as *Rashtriya Gram Swaraj Abhiyan* (RGSA) had been implemented during the year 2012-13. It continued till 2015-16 and attempted strengthening of *Panchayati Raj* System across the country. The programme also addresses the critical gaps that constrain the functioning of *Panchayats*, through promotion of devolution of powers, facilitating democratic decision making through People's participation, accountability in *Panchayats*, strengthening the institutional structure for knowledge creation and capacity building of *Panchayats* etc. Further, during 2016-17 and 2017-18, pending restructuring of the scheme, Ministry provided financial support to States under Capacity Building-*Panchayat Sashaktikaran Abhiyan* (CB-PSA) for Capacity Building & Training (CB&T) with focus on *Gram Panchayat Development Plan* (GPDP) so as to enable them to discharge their mandated functions effectively. Under these schemes funds were released to the States/UTs towards capacity building and training. Table 21 shows the year-wise detail of funds released for training in *Panchayats* of Odisha.

Table 21: Year-Wise Detail of Funds Released for Training in Panchayats of Odisha
(in Rs. crores)

Financial Year (s)	Funds Released (Via RGPSA/CB-PSA/RGSA)
2014-15	32.92
2015-16	0.00
2016-17	25.06
2017-18	32.90
2018-19	0.00
Total	90.88

The activities listed below are performed by *Panchayati Raj* and Drinking Water Department, Government of Odisha:

- The Government of Odisha introduced “*Gram Sabha Sashaktikaran Karyakrama*” on 2nd October 2012 to generate awareness about various schemes and formulate annual action plans for those schemes of *Panchayati Raj* Department keeping in view the spirit of local governance as mandated by the *Grama Panchayat* act, 1964.
- The *Panchayati Raj* and Drinking Water Department, Government of Odisha also publishes PRI CB-ODISHA, Annual Action Plan for every financial year.
- Activities and Achievements of *Panchayats* report are published online on monthly and yearly basis.
- Government of Odisha had launched Odisha Knowledge Hub (OKH) Lecture Series on 22 Jan 2016 to promote innovative ideas in areas of development and governance. Total nineteen lectures have been delivered by the concerned district level functionaries either through lecture or video conferencing.

18. E-Connectivity & ICT Measures

The *Panchayats* in Odisha has taken a large number of e-governance measures to ensure participation of citizens in policy making and provides easy access to information to the citizens which help in easy communication among the three rungs of *Panchayats*. Almost all the district *Panchayats* uses computers to maintain records, receive Government orders through e-mails. Apart from the measures mentioned in Table 17 they also use applications

like PRIA Soft, Plan Plus, National *Panchayat* Portal (NPP), Local Government Directory (LGD) and ActionSoft to confine receipt & expenditure details and other details regarding local government. Table 22 shows e-connectivity and ICT measures taken by *Panchayats* in Odisha.

Following are the ICT measures implemented by Odisha:

- The State uses e-despatch portal for registration of Diary on online e-Space Office by the concern department, along with registering Officers above Class-II also specify their details such as the name, designation, email Id, mobile number, etc. to be able to conduct e-Despatch transactions online.
- Awaasoft details are easily available online on the *Panchayati Raj* and Drinking water website.

Table 22: e-Connectivity & ICT Measures Taken by *Panchayats* in Odisha

Applications	District <i>Panchayats</i>		Intermediate <i>Panchayat</i>		Village <i>Panchayat</i>	
	Total	Adopted	Total	Adopted	Total	Adopted
Local Government Directory (LGD)	30	30	314	314	6798	6798
Area Profiler	30	29	314	275	6798	3138
PRIA Soft	30	28	314	311	6798	6645
ActionSoft	30	20	314	182	6798	2428
National Asset Directory	30	0	314	7	6798	17
Social Audit and Meeting Management	30	1	314	NA	6798	NA
Training and Management	30	NA	314	NA	6798	NA

Note: NA- Not Available

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