

Expert Committee Report Summary

Performance Based Payments For Better Outcomes in Rural Development Programmes

- The Expert Committee (Chair: Mr. Sumit Bose) submitted its report on ‘Performance Based Payments for Better Outcomes in Rural Development Programmes’ in January 2017. The Committee was constituted in December 2016 to look into human resources available with panchayats and suggest means by which these resources could be augmented and organised for better delivery of programmes. Key observations and recommendations of the Committee include:
 - **Human resources in panchayats:** At the gram panchayat level, the Committee noted several deficiencies such as: (i) insufficiency of staff; (ii) inadequacy of qualifications; (iii) lack of rigor in recruitment; (iv) poor terms and conditions of service; (v) low incentives for performance; (vi) and lack of adequate training. Majority of the manpower in panchayats function in silos related to schemes and are mostly accountable to the programme supervisors, not to the panchayats.
 - The Committee recommended that every panchayat should have a full time secretary, who will perform both general administration and development functions. It should also have a technical assistant, who will carry out engineering functions. The existing Gram Rozgar Sevaks should be formally trained to carry out essential engineering functions, such as those related to water supply and sanitation.
 - **Social accountability:** To increase the social accountability of gram panchayats, the Committee suggested holding regular gram sabha meetings, as per the provisions in the State Panchayat Raj Act (such as minimum of four meetings in a year) and on the request of voters under special circumstances. To enable a serious, effective, and an all-inclusive meeting, the meeting notice must reach the people at least seven days in advance.
 - The Committee also recommended implementing measures, such as: (i) participatory planning and budgeting; (ii) preparation of status studies for effective utilisation of earmarked budget; (iii) participatory expenditure tracking; (iv) social audit of panchayats, among others.
- **Information and Communication Technology (ICT):** The Committee noted that many states have passed legislation conferring guarantee of time-bound delivery of public services to the citizens, which also includes services to be delivered by panchayats. Providing guarantee in delivering services on time and tracking reasons for failure, if any, will require application of ICT in the functioning of panchayats.
 - To enable greater use of ICT, the Committee recommended that panchayats should be encouraged to use only transaction based software for: (i) carrying out their functions in delivering local services; (ii) maintaining database related to local planning and monitoring progress; (iii) financial management including e-procurement; and (iv) estimation and management of work undertaken by them. It also suggested adoption of double entry system of accounting and amendment of rules for electronic maintenance of cashbook.
 - **Monitoring performance and quality of works:** The Committee noted that there is considerable room for improvement in capturing performance of panchayats, intermediates and their officials. It also stated that data on revenue and expenditure by panchayats, panchayat staff and infrastructure was not available.
 - The Committee recommended that a system of quality monitoring should be put in place for all programmes being monitored by panchayats. Standards should also be developed for all assets being created through rural development programmes. In addition, the Ministry of Panchayati Raj should compile essential data, including, area, population, staff, and availability of essential infrastructure for panchayat office, among others.
 - The Committee suggested that in case of shortage of funds to operationalise the Committee recommendations, support for a period of five years to incentivise states could be included in the revised Rashtriya Gram Swaraj Abhiyan. This program aims to enhance capacities and effectiveness of panchayats.

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