

CHAPTER – XII

PANCHAYATI RAJ

The Panchayati Raj System in Puducherry is governed by the provisions of the Pondicherry Village and Commune Panchayats Act, 1973 which has devolved several powers to Village and Commune Panchayats. The legislation was further amended in 1994, so as to conform to the 73rd Amendment to the Constitution. Through special notification issued by the Government of India the provisions of Article 243B as applicable to Puducherry provides for the constitution of Commune Panchayats at the intermediate level in place of the District Panchayat. Provisions have also been made in the law in 1994 for the constitution of District Planning Committee. However, these powers have not been fully operationalised, since elections to the Commune and Village Panchayats had not taken place from 1968, till July 2006.

After the conduct of elections to the Commune and Village Panchayats in July, 2006, further steps need to be taken in Puducherry to strengthen Panchayati Raj through empowering Commune and Village Panchayats to address local developmental priorities more effectively, through the devolution of functions, funds and functionaries to Panchayats. In Puducherry, the Union Government has an opportunity to establish a package of best practices in Panchayati Raj, which are set as an example to all States. Towards this end, the Administration of Puducherry, is proposed to take the following steps:

- 1) The legislative provisions on transfer of powers and responsibilities contained in the legislation of 1974 as further amended, will be clarified and substantiated through further amendments if required, as per procedure laid down in the Rules of Business of the Government of Puducherry, 1963 framed under Union Territories Act, 1963.
- 2) Concurrent with legislative amendments an Activity mapping exercise will be undertaken so that actual devolution of functions, funds and functionaries to Commune Panchayats and Village Panchayats is accomplished. This will also

specifically clarify the inter-se roles of Commune and Village Panchayats, particularly, as there is considerable overlap between their roles. The Ministry of Panchayati Raj will offer technical assistance in this regard and the exercise will be completed at the earliest, subject to approval of the proposal to be placed before the Council of Ministers and the recommendation of the Second State Finance Commission in its second report dealing with the same subject.

- 3) Activity mapping will especially address the issue of devolution of all aspects of management of employees by panchayats at the Commune and Village level, so as to ensure that it is real and not symbolic. Following the issue of Activity Mapping notification, detailed orders regarding devolving of funds and functionaries will be issued.
- 4) The role of different committees, societies or other parallel bodies for sectoral programmes such as Sarva Shiksha Abhiyan, National Rural Health Mission and DRDA will be examined in the context of peculiar two tier Panchayat system in Puducherry to see whether the authority for managing such programmes can be devolved to the Panchayati Raj Institutions.
- 5) The roles of line department officials, who now report only to the UT administration, will be suitably clarified and harmonized with devolution to Panchayats, keeping in mind the letter and spirit of Part-IX of the Constitution, after the amendments in the Acts and activity mapping are carried out by the Puducherry Administration.
- 6) For effectively performing the functions devolved to them through Activity Mapping, Commune and Village Panchayats would need a matching transfer of funds in respect of the devolved functions. This will require creation of Panchayat Sector in the State Budget for each department so as to entrust all relevant schemes pertaining to the activities devolved to Commune and Village Panchayats in accordance with the Activity Map. The Government of Puducherry undertakes to commence opening Panchayat Sector windows in departmental budgets.
- 7) For 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. In furtherance of reform in this direction, Puducherry undertakes to put in place a computerized system, with financial assistance of the Ministry of Panchayati Raj, Government of India.

- 8) District Planning Committee would be established in accordance with the regulations in this regard, issued by the Puducherry Government.
- 9) Powers to raise local revenues have been assigned to Panchayats, but the full potential of the same has not been realized. Adequate emphasis will be given to the raising of local revenues by Panchayat with suitable capacity building with the financial assistance of Ministry of Panchayati Raj, Government of India.

In order to strengthen Panchayati Raj in the Union Territory of Puducherry, the Union Ministry of Panchayati Raj would take the following steps:

- Union Ministry of Panchayati Raj shall assist the Panchayats in Puducherry to establish e-Governance systems in all panchayats to ensure the handling of all services provided by them and other activities. This will include connectivity, provision of software and training for all Panchayats.
- In pursuance of the Prime Minister's proposal for setting up Rural Business Hubs through Panchayats, the Union Territory of Puducherry and the Ministry of Panchayati Raj will work towards partnerships between the organized business sector and Panchayats in promoting these hubs.
- The Ministry of Panchayati Raj shall assist the Union Territory of Puducherry in capacity building and related training of elected representatives and staff of Panchayats on matters including those related to decentralized planning with focus on poverty alleviation, good governance and delivery of citizens services.