

**GOVERNMENT OF INDIA  
PANCHAYATI RAJ  
LOK SABHA**

STARRED QUESTION NO:28  
ANSWERED ON:24.11.2005  
ALLOCATION OF FUNDS TO PANCHAYATI RAJ INSTITUTIONS  
Ramadass Prof. M;Reddy Shri Karunakara G.

**Will the Minister of PANCHAYATI RAJ be pleased to state:**

- (a) whether the Union Government has allocated funds to Panchayati Raj Institutions in accordance with the recommendations of the 12th Finance Commission;
- (b) if so, the details thereof, State/Union territory-wise;
- (c) whether the Union Government has released the second instalment of funds to Panchayati Raj Institutions;
- (d) if so, the details thereof, State-wise;
- (e) if not, the time by which the funds are likely to be released by the Government; and
- (f) the steps taken/proposed to be taken to make the functioning of the Panchayati Raj Institutions more effective?

**Answer**

MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN PARTS (a),(b),(c),(d),(e) & (f) OF LOK SABHA STARRED QUESTION NO. 28 DUE FOR REPLY ON 24.11.05 REGARDING ALLOCATION OF FUNDS TO PANCHAYATI RAJ INSTITUTIONS.

(a) & (b): Yes Sir. The Twelfth Finance Commission has recommended grants amounting to Rs. 20,000 crore to States for Panchayati Raj Institutions payable during the period 2005-10. State-wise allocations are annexed. The Finance Commission has not recommended grants-in-aid for UTs.

(c) - ( e): The second instalment of grants to Panchayati Raj Institutions for the year 2005-06 is due for release in January, 2006, subject to fulfillment of the conditions laid down in the guidelines.

(f): In order to evolve a national consensus on the measures to be taken to strengthen Panchayati Raj and ensure that Panchayats function as institutions of self-government as envisaged in Part IX of the Constitution, the Ministry of Panchayati Raj convened Seven Round Tables of State Ministers of Panchayati Raj between July, 2004 and December, 2004. At the Round Tables about 150 points for action, touching 18 dimensions of Panchayati Raj, were formulated by consensus. These include, inter alia, effective devolution of functions, finances and functionaries, planning, empowerment of Gram Sabhas, issues relating to reservation for SCs/STs and women, elections, maintenance of accounts and audit, panchayats vis-À-vis parallel bodies, capacity building and training of elected representatives, preparation of a State of the Panchayats Report and work on Panchayati Raj jurisprudence.

A Council of State Ministers of Panchayati Raj under the chairmanship of Union Minister for Panchayati Raj has been constituted to review the implementation of the recommendations. The first meeting of the Council, was held on 5th - 6th August, 2005 at Kochi, Kerala. A Committee of Chief Secretaries of States and State Panchayati Raj Secretaries has also been constituted under the chairmanship of the Secretary (Panchayati Raj) to monitor the progress on the implementation of the 150 recommendations of the Seven Round Tables and the decisions of the Council of State Ministers of Panchayati Raj. Four review meetings of the Committee have so far been held in April, 2005, June, 2005, September 2005 and November 2005.

With a view to interacting with Panchayats and to carry out a review with the authorities concerned of the progress in implementing the points for action mutually agreed to in the Round Tables, a process of visiting the States and UTs at the level of Union Minister for Panchayati Raj has been initiated. Seven States have been covered so far. Each visit is concluded with a Statement of Conclusions jointly signed with the Chief Minister of the State concerned, laying out the points of action on which the State would move in order to operationalise the recommendations of the Round Tables. An exercise is underway to review different statutes with a view to harmonise them with the provisions of Part IX of the Constitution. Similarly, the guidelines of Centrally Sponsored Schemes are being reviewed to ensure the centrality of Panchayats in planning and implementation. As regards new Centrally Sponsored Schemes, wherever relevant, it is

proposed to provide for a central role for Panchayats. Steps are also being taken to fill in critical gaps in infrastructure and capacity so that Panchayats can play their constitutional role. It is expected that all these initiatives will help in making the functioning of Panchayati Raj institutions more effective.

## ANNEXURE

### Allocation of grants to States for Panchayats (PRIs) Recommended by 12th Finance Commission (2005-10)

(Rs. Crore)		
States	Panchayats	
Allocation for Annual allocation the period 2005-10		
1. Andhra Pradesh	1587.00	317.40
2. Arunachal Pradesh	68.00	13.60
3. Assam	526.00	105.20
4. Bihar	1624.00	324.80
5. Chhattisgarh	615.00	123.00
6. Goa	18.00	3.60
7 Gujarat	931.00	186.20
8. Haryana	388.00	77.60
9. Himachal Pradesh	147.00	29.40
10. Jammu & Kashmir	281.00	56.20
11. Jharkhand	482.00	96.40
12. Karnataka	888.00	177.60
13. Kerala	985.00	197.00
14. Madhya Pradesh	1663.00	332.60
15. Maharashtra	1983.00	396.60
16. Manipur	46.00	9.20
17. Meghalaya	50.00	10.00
18. Mizoram	20.00	4.00
19. Nagaland	40.00	8.00
20. Orissa	803.00	160.60
21. Punjab	324.00	64.80
22. Rajasthan	1230.00	246.00
23. Sikkim	13.00	2.60
24. Tamil Nadu	870.00	174.00
25. Tripura	57.00	11.40
26. Uttar Pradesh	2928.00	585.60
27. Uttaranchal	162.00	32.40
28. West Bengal	1271.00	254.20
Total	20000.00	4000.00