

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

STARRED QUESTION NO:412

ANSWERED ON:31.07.2009

FUNDS UNDER PANCHAYATI RAJ SYSTEM

Ananth Kumar Shri ;Swamygowda Shri N Cheluvarama Swamy

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the norms and rules governing the utilisation of funds allocated to Panchayati Raj institutions under different schemes;
- (b) whether the funds allocated for Panchayati Raj institutions to the States including Karnataka under different schemes have been utilised fully by them;
- (c) if not, the reasons therefor;
- (d) the action taken by the Government to ensure full utilisation of funds allocated under Panchayati Raj schemes;
- (e) whether the Government is considering any enhancement in the allocation of funds to States under these schemes; and
- (f) if so, the details thereof, State-wise and scheme-wise?

Answer

MINISTER OF PANCHAYATI RAJ(Dr. C.P. JOSHI)

(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. 412, DUE FOR REPLY ON 31.7.2009, REGARDING FUNDS UNDER PANCHAYATI RAJ SYSTEM

(a): Ministry of Panchayati Raj implements the Backward Regions Grant Fund (BRGF) programme through the Panchayati Raj Institutions (PRIs) and the Municipalities. The Programme Guidelines, available at the website of the Ministry: www.brgf.gov.in read with the General Financial Rules, govern the utilization of funds allocated under the BRGF Programme.

(b) & (c): No, Sir. Many States including Karnataka have not been able to fully utilize the funds allocated. The main reasons for slow pace of utilization of BRGF funds are as follows: -

(i) Some States have delayed release of funds to the implementing institutions (Panchayats & Municipalities). Hence, utilization of funds was also delayed, thus affecting the pace of further releases.

(ii) Insufficient capacity for preparation of decentralized participatory and integrated plans, a pre-condition for release of BRGF funds.

(iii) Limited control of the PRIs/ Municipalities over the executive functionaries leading to slower implementation of the programme.

(iv) Good performing Panchayats and Municipalities have to wait for the release of funds till the whole district reaches the minimum expenditure level.

(d): The Ministry is regularly monitoring and exhorting through written communications, video conferencing and meetings. The Ministry has recently decided to charge penal interest on the States for delay in transfer of BRGF funds to the implementation entities beyond 15 days.

(e) & (f): There is no proposal under consideration of the Government for enhancement of BRGF allocations of the States.