

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:1145

ANSWERED ON:15.11.2010

FUNDS TO PRIS

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Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the funds released and utilized for various scheme under the Panchayati Raj Institutions (PRIs) during the last two years and the current year, State-wise and scheme-wise;
- (b) whether some of the States have not allocated funds to PRIs;
- (c) if so, the details thereof alongwith the norms and rules regarding utilization of funds allocated to the PRIs under various schemes;
- (d) whether the Union Government has urged upon the States for enhancing funds to the PRIs;
- (e) if so, the outcome thereof; and
- (f) the steps taken by the Union Government to further improve financial governance, ensure accountability and strengthen monitoring of schemes under PRIs?

Answer

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

(a): Ministry of Panchayati Raj implements Backward Regions Grant Fund through the Rural and Urban Local Bodies. Under BRGF, Rs.9013.45 crore has so far been released to State Governments as Development Grant during 2008-09, 2009-10 and 2010-11 (till 09.11.2010). Against this, utilization has been reported for Rs.5220.29 crore. State-wise information is at Annexure-I. The grants-in-aid under the Finance Commission awards are released directly to the States by Ministry of Finance. However, information regarding funds released during the last three years as grants for PRIs under the Twelfth and Thirteenth Finance Commissions is given at Annexure-II.

(b) & (c): The Government of Uttarakhand has so far not availed the Development Grant under BRGF. Consolidation of District Plan by the District Planning Committee (DPC) is a mandatory requirement for availing Development Grant under BRGF. The State of Uttarakhand is not able to avail this grant as they have not constituted DPCs as provided in the Constitution.

As per the Guidelines of the BRGF Programme, the Development Grants are to be allocated among the Local Bodies based on a transparent formula to be decided at the State level.

(d) & (e): Ministry of Panchayati Raj has been pursuing preparation and notification of detailed activity mapping by the States for distribution of Funds, Functions and Functionaries (3Fs), opening of Panchayat Window in State Budgets and assignment of funds and functionaries in accordance with the devolution of functions. Since, Panchayati Raj is a State subject, the devolution of funds to PRIs across the States/UTs is not uniform. However, as per the information available at the website of Thirteenth Finance Commission, total revenue of PRIs increased to about Rs.60,000 crore in 2007-08 as compared to Rs.45,000 crore in 2005-06 and Rs.53,000 crore in 2006-07.

(f): The Ministry releases Development Grants to the States only when proper utilisation of funds released is reported with supporting progress reports. The Ministry has also launched a Planplus software facilitating the local bodies enter their plans to be consolidated into the District Plans and to report progress of implementation which are also placed in public domain. A Model Accounting System for Panchayats (MAS) and PRIASoft, a software for computerized maintenance of accounts under MAS, has been developed by the Ministry to bring in transparency and accountability in the functioning of PRIs. The Ministry also holds periodic Review Meetings and Video Conferences with the BRGF States and, in some cases, with the districts too, to sort out implementation and monitoring issues.