

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:4214

ANSWERED ON:06.12.2010

UTILISATION OF FUNDS BY PANCHAYATS

Adityanath Shri Yogi;Ganeshamurthi Shri A.;Hussain Shri Syed Shahnawaz;Tagore Shri Manicka

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the details of Centrally Sponsored Schemes being implemented by the Ministry and funds allocated/ utilized under them during the last three years and the current year,scheme-wise, State-wise and year-wise;
- (b) whether the Government has appointed any supervisory body to monitor the implementation of above schemes properly;
- (c) if so, the details thereof alongwith steps taken by the Government to strengthen the financial health of panchayats in the country;
- (d) whether any cases of corruption / misappropriation of funds have been reported during the last three years and the current year; and
- (e) if so, the details thereof alongwith action taken to prevent such irregularities in the schemes?

Answer

MINISTER OF PANCHAYATI RAJ(Dr. C P JOSHI)

(a): The Ministry of Panchayati Raj is implementing the Centrally Sponsored schemes of Rashtriya Gram Swaraj Yojana (RGSY) for Capacity Building & Training of Elected Representatives and Functionaries of Panchayati Raj Institutions (PRIs) and Mission Project on e-Panchayats with the objective of supporting Panchayats to make effective use of Information Technology. The details of funds allocated, utilised under the schemes during the last three years and the current year, State-wise are enclosed as Annex-I for RGSY and Annex-II for Mission Project on e-Panchayat.

(b): No, Sir. However, the Ministry reviews the implementation of the schemes by way of National and State level reviews.

(c): Detailed guidelines have been issued by this Ministry for improving financial health of the Panchayats. The Guidelines include effective fiscal decentralization, giving Panchayats more tax handles to enable them augment their own revenue, opening of a separate Panchayat Window in the State Budget, providing more untied funds to Panchayats, encouraging PRIs to borrow from the market within the State Government guidelines, swift transfer to funds under various schemes to the PRIs through electronic mode, strengthening audit & accounts system of PRIs, providing incentive for better performance, improving working of State Finance Commissions, etc.

(d) & (e): In RGSY, two cases of alleged mis-appropriation of funds/forgery have been reported, by Government of Haryana in respect of M/s Vividh Vikas Samiti and by Government of Orissa in respect of M/s Centre for Rural Development, respectively. In both the cases, enquiries are being conducted by the respective State Governments. Both these cases related to NGOs whose proposals were recommended by the State Governments before being considered for fund release. In order to prevent such irregularities, funding of NGOs is being considered only after due recommendations of the State Governments and States have been advised to monitor their performance.