

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:1727

ANSWERED ON:23.03.2012

FUNDS TO PRI

Karwariya Shri Kapil Muni;Verma Shri Sajjan Singh

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) the details of schemes being implemented by the Government through Panchayati Raj Institutions (PRIs) alongwith the funds allocated/released and expenditure reported by States/PRIs thereunder during each of the last three years and the current year, scheme-wise and State-wise;
- (b) the criteria and procedure for allocation of funds to PRIs;
- (c) whether the funds allocated/released to States/PRIs have been fully utilized by them during the said period;
- (d) if not, the reasons therefor alongwith the corrective measures taken/proposed to be taken by the Government to ensure optimum utilization of funds by them;
- (e) the details of the reported cases of irregularities/mismanagement/diversion of funds by States/PRIs under the schemes and the action taken/to be taken by the Union Government thereon, State-wise;
- (f) whether the Union Government proposes to enhance the annual allocation of funds to States/PRIs; and
- (g) if so, the details thereof?

Answer

MINISTER OF PANCHAYATI RAJ (SHRI V. KISHORE CHANDRA DEO)

(a): The Ministry of Panchayati Raj implements the Backward Regions Grant Fund (BRGF) in 250 identified backward districts in 27 States of the country. The Programme is designed to redress regional imbalances in development and provides untied funds to Local Bodies through the State Governments for supplementing and converging existing developmental inflows into identified districts to meet critical and other infrastructure gaps. The details of funds allocated and released to the States for the Local Bodies including the Panchayati Raj Institutions (PRIs) under the Backward Regions Grant Fund (BRGF) Programme along with the expenditure reported by the States are at Annex-I. Details of schemes implemented by other Ministries through PRIs are being collected.

(b): BRGF has two components namely Capacity Building and Development Grant.

Criteria and procedure for Capacity Building (CB) component

The Ministry provides the CB Grants to the 27 States computed @Rs. 1 crore per BRGF district which totals to Rs. 250 crore per annum. The Action Plan duly approved by the High Powered Committee headed by the Chief Secretary is required to be sent alongwith Utilisation Certificate, Physical and Financial Progress Report and Audit Report for previous releases for release of grants.

Criteria and procedure for distribution of Development Grants (DG):

The Ministry notifies the annual entitlement of each of the 250 districts under the DG component based on the following formula:

- (i) Every district will receive a fixed base amount of Rs.10 crore per annum.
- (ii) 50% of the balance allocation under the Scheme is allocated on the basis of the share of the population of the district in the total population of all backward districts.
- (iii) The remaining 50% is distributed on the basis of the share of the area of the district in the total area of all backward districts.

The Action Plan duly approved by the District Planning Committee is required to be sent alongwith Utilisation Certificate, Physical and Financial Progress Report and Audit Report for previous releases for release of grants.

(c) & (d): Utilisation of funds under the BRGF Programme is a continuous process which is carried on through out the year. The current status of utilization is given at Annex-I.

The utilization of BRGF grants has not been fully satisfactory. The Ministry has taken several steps to improve utilization of funds some which are as under:

(i) Time lines for the preparation and submission of District Plans have been laid down.

(ii) BRGF funds are required to be transferred to the Implementing Entities within 15 days of the release of funds to the Consolidated Fund of the States failing which penal interest is required to be paid by the State Governments.

(iii) Ministry organizes regular review meetings and video conference with the States to ensure optimum utilization of funds.

(e): A list showing the complaints received and Action Taken thereon is at Annex-II.

(f): There is no such proposal during the current financial year.

(g): Does not arise.