

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:2671
ANSWERED ON:07.02.2014
UTILISATION OF FUNDS IN PRIS
Jawale Shri Haribhau Madhav

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(PRIs) under different schemes;
- (b) whether the funds allocated to the States under different schemes have been fully utilised by them;
- (c) if not, the reasons therefor, State-wise; and
- (d) the action taken by the Government to ensure full utilisation of funds allocated under Panchayati Raj Scheme?

Answer

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

(a) to (d) Under the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA), grants-in-aid is provided to State Governments on the basis of approved State Plans to strengthen Panchayats. RGPSA has become fully operational in 2013-14. Implementation of the scheme is followed up. Under the Backward Regions Grant Fund (BRGF) Programme, untied grants are released to the State Governments for development of basic infrastructure facilities and for capacity building of Panchayats/Gram Sabhas in the backward districts/regions. For availing grants from BRGF, the States/ districts are required to furnish district plans consolidated by the District Planning Committees and utilisation certificates, progress reports and audit reports for the grants availed earlier.

The main reasons for underutilisation of funds are delay in release of funds by the States to the local bodies, procedural delays in preparation and implementation of Plans and delay in reporting the progress of utilisation of the grants by the States. To ensure expeditious utilization of grants, penal interest is to be paid if transfer of funds is delayed for more than 15 days from the Consolidated Fund of the States to the implementation entities (IEs).