

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:267
ANSWERED ON:06.12.2013
FUNDS SPENDING UNDER BRGF
Singh Rajkumari Ratna

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether certain State Governments are not spending funds allocated under Backward Regions Grant Fund (BRGF) in time;
- (b) if so, the details thereof, State/UT-wise including Uttar Pradesh and the reaction of the Government in this regard;
- (c) the details of the time-frame prescribed for spending money from the BRGF after its release to the States by the Union Government; and
- (d) the reasons for non-compliance of the said norms?

Answer

MINISTER OF PANCHAYATI RAJ
(SHR1V. KISHORE CHANDRA DEO)

(a) to (c) : BRGF Programme is applicable in 272 identified backward districts of all the States, except Goa. Utilisation of funds under the BRGF Programme is a continuous process which is carried on through out the year. BRGF funds are released in two instalments during a financial year and the essential condition for release of each instalment is 60% utilisation of the earlier releases. In this way, the districts have a steady flow of funds to undertake developmental activities and at the same time, excess funds are not released. The Ministry of Panchayati Raj has taken several steps for optimum utilisation of BRGF funds like time lines have been set for preparation and submission of the District Plans; BRGF funds are required to be transferred to the Implementing Entities (IEs) 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 and as a follow up measure regular review meetings, workshops, video conferences are held with the State Governments. The status of utilisation of funds under BRGF as reported by the States for the last two years is given at Annex.

(d): The reasons for slow pace of utilisation of BRGF funds in some States/ Districts include delay in transfer of funds by the State Governments to the IEs, absorptive capacity by the Local Bodies and programme management at the State/District level.