

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:947
ANSWERED ON:28.11.2014
GRANTS TO LOCAL BODIES
Muddahanumegowda Shri S.P.

Will the Minister of FINANCE be pleased to state:

- (a) whether his Ministry has evaluated the outcome of the Thirteenth Finance Commission grants to the Panchayati Raj Institutions (PRIs) and Municipalities and if so, the details thereof;
- (b) whether on the basis of such evaluation his Ministry has plans to recommend to the Fourteenth Finance Commission for a substantial increase in such grants ;
- (c) the time by which final decision in this regard is likely to be taken?

Answer

MINISTER OF STATE FOR FINANCE (SHRI JAYANT SINHA)

(a) to (c) This Ministry has not conducted any study to evaluate the outcomes of the Thirteenth Finance Commission grants to the Panchayati Raj Institutions (PRIs) and Urban Local Bodies. However, the Terms of Reference of the Fourteenth Finance Commission (FFC) specifically require the Commission to make recommendations on the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats and Municipalities in the States on the basis of recommendations made by the Finance Commission of the State. Further, Ministry of Panchayati Raj and Ministry of Urban Development in their Memorandum to the FFC have proposed an increase in the share of Local Governments from the divisible pool. The recommendations of FFC, for its award period 2015-2020, is expected by end of December 2014, for consideration of the Government thereafter.