

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 1334**

**Answered on Tuesday the 1<sup>st</sup> August, 2023/ Sravana 10, 1945 (SAKA)**

**Performance grant for local bodies**

1334. SHRI A. A. RAHIM:

Will the Minister of FINANCE be pleased to state:

- (a) the reason for which the Central Government is not issuing the performance grant for local bodies of Kerala that has been recommended by the 14<sup>th</sup> Finance Commission and by when it will be allotted; and
- (b) the states for which this fund has been allotted?

**ANSWER**

**MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)**

(a) to (b) The 14<sup>th</sup> Finance Commission while recommending disbursement of Performance Grants from the financial year 2016-17 to 2019-20 for Gram Panchayats and Municipalities had also prescribed certain conditions for release of these funds. For availing the recommended grants within the award period, States including Kerala had to fulfill the stipulated conditions associated with each component within the time period. Compliance to the stipulated conditions were examined by the concerned Nodal Ministries (Ministry of Panchayati Raj for Gram Panchayats and the Ministry of Housing & Urban Affairs for Municipalities).

Contd. on page-2.

Based on the recommendations from the Nodal Ministries and compliance to the stipulated conditions, Performance grants for the years 2016-17 and 2017-18 has been released to the State of Kerala for eligible Gram Panchayats and Municipalities. However, Performance Grants for the years 2018-19 and 2019-20 could not be released to any State including the State of Kerala due to non-fulfillment of all the stipulated conditions within the respective award years. The award period of the 14<sup>th</sup> F. C. ended on 31-3-2020. From 1<sup>st</sup> April, 2020 onwards, funds recommended by the 15<sup>th</sup> Finance Commission for Rural and Urban Local Bodies have been released to all States including Kerala.

\*\*\*\*\*