

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO. 1718
FOR ANSWER ON 02.07.2019

UTILIZATION OF FUNDS BY PANCHAYATS

1718. SHRI SYED IMTIAZ JALEEL:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether Panchayats have expressed their inability to utilize the funds earmarked for them in the absence of district plans;
- (b) if so, whether the Government has issued any instructions to the States in this regard and if so, the details thereof; and
- (c) the steps taken/being taken by the Government to strengthen Panchayati Raj Institutions to prepare district plan and monitor the work executed?

ANSWER

THE MINISTER OF PANCHAYATI RAJ
(SHRI NARENDRA SINGH TOMAR)

(a) & (b) Article 243ZD of the Constitution provides that a District Planning Committee (DPC) shall be constituted at the district level in every State to consolidate the Plans prepared by Panchayats and Municipalities in the district and to prepare a draft development plan for the district as a whole. The composition and functions to be assigned to the DPCs are decided by the State Legislature.

Ministry of Panchayati Raj (MoPR) was implementing the District Component of Backward Regions Grant Fund (BRGF) in 272 identified backward districts of all States of the Country, except Goa. Under the BRGF Programme untied grants were provided to State Governments for the identified districts based on their Annual District Plan duly approved by the DPCs. No State/Panchayat has expressed its inability to MoPR to utilize the funds under BRGF due to non-availability of District Plans. Consequent upon the implementation of the recommendations of the Fourteenth Finance Commission, share of States in the net proceeds of the Union taxes has been significantly enhanced from 32% to 42% of the Centre's net tax

receipts. Hence, BRGF Programme has been delinked from the budgetary support of the Central Government since 2015-16.

(c) Gram Panchayats (GP) have been mandated for the preparation of Gram Panchayat Development Plan (GPDP) for economic development and social justice utilizing the resources available to them. GPDP guidelines for formulation of GPDP have been shared by the MoPR with the States/ Union Territories (UT) in 2018-19. The States/ UTs have been advised that on the basis of MoPR guidelines, State specific GPDP guidelines are to be issued by the respective States/UTs towards integration and consolidation of GPDPs into a comprehensive District Development Plan. Further, MoPR guidelines have also advised States/UTs to constitute District level Coordination Committee to ensure better implementation and monitoring of GPDPs.

For monitoring the works/projects undertaken under the BRGF Programme, MoPR prescribed audit of funds/works.
