

GOVERNMENT OF INDIA  
MINISTRY OF PANCHAYATI RAJ  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 3749**  
ANSWERED ON 16.07.2019

**BACKWARD REGIONS GRANT FUND**

3749. SHRI SUNIL DATTATRAY TATKARE:

DR. HEENA GAVIT:

DR. SUBHASH RAMRAO BHAMRE:

SHRIMATI SUPRIYA SULE:

DR. AMOL RAMSING KOLHE:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Backward Regions Grant Fund (BRGF) Scheme is 100 per cent Centrally Sponsored Scheme, if so, the details and the objectives thereof;
- (b) whether the Government has achieved the desired objective since the inception of the scheme;
- (c) the procedure being followed for submission of proposals, approval and execution of works under the scheme;
- (d) whether the Government has taken any decision to change/relax/revise the parameters of BRGF and if so, the details thereof;
- (e) the details of the cases of irregularities/mismanagements/diversion of funds reported under the programme and the corrective action taken by the Union Government and the State Governments thereon; and
- (f) whether the Union Government proposes to enhance annual allocation of BRGF to the States and if so, the details thereof?

**ANSWER**

MINISTER OF PANCHAYATI RAJ  
(SHRI NARENDRA SINGH TOMAR)

(a), (b) and (c) The Backward Regions Grant Fund (BRGF) Programme was a Centrally Sponsored Scheme in the form of 100% Additional Central Assistance to State Plans. The Programme was designed to redress regional imbalances in development by providing funds for supplementing and converging existing developmental inflows in the identified districts. Untied grants were provided to State Governments for the identified districts based on their Annual District Plans duly approved by the District Planning Committees. The annual budget

allocation for BRGF was divided into two components, namely Capacity Building Grant and Development Grant. The State Government decided the inter-se allocation among the local bodies and to each level of these bodies on the basis of the index or formula accepted within the State to determine backwardness or level of development.

As per the progress reports received from the States/Districts, funds under the Programme have been utilised for development of infrastructure facilities like construction of anganwadi centres, panchayat ghars, roads, culverts, bridges, community halls, water supply etc., in the backward districts.

An independent review-cum-evaluation of the BRGF was undertaken by the World Bank in eight States in July 2009. The World Bank in its report noted that the BRGF has stimulated a process of strengthening of Panchayati Raj Institutions (PRIs)/Urban Local Bodies (ULBs), particularly in backward States and districts, and laid the foundation for achieving several of its objectives. The report also noted that the projects are generally addressing local needs within core local government mandates in a relatively cost-effective manner.

(d) No Sir. 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.

(e) The Panchayats at the village, intermediate and district level were to undertake planning and implementation of the BRGF Programme. The references received regarding irregularities/mismanagement/diversion of funds reported under the Programme were referred to the concerned State Governments for necessary action. For monitoring the works/ projects undertaken under the Programme, Ministry of Panchayati Raj prescribed auditing of Panchayats funds/works. BRGF Guidelines also provided for audit of works through a Review Committee at District Level and Social Audit and Vigilance at the Panchayat levels.

(f) No Sir, in view of reply at (d) above.

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