

GOVERNMENT OF INDIA
MINISTRY OF PANCHAYATI RAJ
LOK SABHA
UNSTARRED QUESTION NO. 2522
ANSWERED ON 09.03.2021

FUNDS TO GRAM PANCHAYATS

2522. SHRI MAGUNTA SREENIVASULU REDDY:

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Government has any criteria for allocation of funds to Gram Panchayats in the country;
- (b) if so, the details thereof; State-wise, particularly in the State of Andhra Pradesh; and
- (c) if not, the reasons therefor?

ANSWER

THE MINISTER OF PANCHAYATI RAJ
(SHRI NARENDRA SINGH TOMAR)

(a) & (b) : The Fifteenth Finance Commission has recommended allocation of Rs. 60,750 crore for the period of 2020-21 for Rural Local Bodies (RLBs). Further, for the period 2021-26, it has recommended allocation of Rs. 2,36,805 crore for duly constituted RLBs.

The criterion for allocation of funds adopted by the Commission includes:

Inter-se distribution amongst the States is with a weight of 90 percent on population and 10 percent on the areas of the States. All three tiers in the Panchayats shall receive the grants. The inter-se distribution among all the tiers to be done by the State Governments on the basis of the accepted recommendations of the latest State Finance Commission (SFC) and in conformity with the following bands of

- (a) not less than 70 percent and not more than 85 percent for Gram Panchayats,
- (b) not less than 10 percent and not more than 25 percent for Block Panchayats, and

(c) not less than 5 percent and not more than 15 percent for Zilla Panchayats, subject to the shares adding up to 100 percent.

In States, which have a two-tier system with only village and district panchayats, the allocation will be in the bands of not less than 70 percent and not more than 85 percent for village panchayats and not less than 15 percent and not more than 30 percent for district panchayats. In the event of SFC recommendations not being available, the inter-se distribution within the tiers should be decided by the State Government within the bands indicated above. Once the State-level grants are earmarked for each tier, the intra-tier distribution among the relevant entities across the State should be on the basis of population and area in the ratio of 90:10 or as per the accepted recommendation of the latest SFC.

In respect of allotment of grants for excluded areas in a State exempted from the purview of Part IX and Part IX -A of the Constitution, the concerned State shall make allocations on the basis of population and area in the ratio of 90:10.

State-wise allocations of Fifteenth Finance Commission Grants to the Rural Local Bodies including the State of Andhra Pradesh, for the period 2020-21 and 2021-26 is furnished at Annexure.

(c) In view of above, question does not arise.

Annexure

(Annexure referred to in reply to parts (a) &(b) of the Lok Sabha Unstarred Question No. 2522 answered on 09.03.2021)

State-wise, allocation of Fifteenth Finance Commission (XV FC) Grants for Rural Local Bodies for FY 2020-21 and FY 2021-26.

(Rs. in crore)

SI No	State	2020-21	2021-26
1	Andhra Pradesh	2625	10231
2	Arunachal Pradesh	231	900
3	Assam	1604	6253
4	Bihar	5018	19561
5	Chhattisgarh	1454	5669
6	Goa	75	293
7	Gujarat	3195	12455
8	Haryana	1264	4929
9	Himachal Pradesh	429	1673
10	Jharkhand	1689	6585
11	Karnataka	3217	12539
12	Kerala	1628	6344
13	Madhya Pradesh	3984	15527
14	Maharashtra	5827	22713
15	Manipur	177	690
16	Meghalaya	182	711
17	Mizoram	93	362
18	Nagaland	125	486
19	Odisha	2258	8800
20	Punjab	1388	5410
21	Rajasthan	3862	15053
22	Sikkim	42	165
23	Tamil Nadu	3607	14059
24	Telangana	1847	7201
25	Tripura	191	746
26	Uttar Pradesh	9752	38012
27	Uttarakhand	574	2239
28	West Bengal	4412	17199
	Total	60750	236805
