

F.No. N-11013/22/2015-FD

Government of India

Ministry of Panchayati Raj

11th Floor, Jeevan Prakash Building,

K.G. Marg, New Delhi-110001

Dated: 16.01.2018

OFFICE MEMORANDUM

**Sub-Minutes of the 5<sup>th</sup> meeting of Coordination Committee for providing Guidance and Support to the State Governments and Local Bodies on implementation of the recommendation of the Fourteenth Finance Commission held on 27<sup>th</sup> December, 2017.**

The undersigned is directed to enclose a copy of minutes of the 5<sup>th</sup> meeting of Coordination Committee held on 27.12.2017 under the chairmanship of Secretary, Panchayati Raj on the subject cited above for information and necessary action.

Encl.: as above



(R.Shivakumar)

Under Secretary to the Govt. of India

Tel.:011-23753812

To

1. All Members/Participants in the meeting
2. Principal Secretary/Secretary, Panchayati Raj Department, all 26 States

Copy for information to:

1. PS to SPR
2. PPS to AS (BP)
3. PS to JS (SKP)
4. PPS to Director (FD)

o/c  
12/1/18  
16/1/18



**Minutes of the 5<sup>th</sup> Meeting of the Coordination Committee, MoPR for providing Guidance and Support to the State Governments and Local Bodies on Implementation of the recommendations of the FFC held on 27<sup>th</sup> December, 2017.**

The 5<sup>th</sup> meeting of the Coordination Committee constituted by the Ministry of Panchayati Raj (MoPR) in terms of the Ministry of Finance (MoF) Guidelines dated October.08, 2015 for providing guidance and support to State Governments and Local Bodies on implementation of recommendations of Fourteenth Finance Commission (FFC) was held under the Chairmanship of Secretary, Ministry of Panchayati Raj (SPR) on 27<sup>th</sup> December, 2017 in MoPR Conference Hall. List of participants is at **Annexure-I**.

2. The minutes of the 4<sup>th</sup> meeting held on 14<sup>th</sup> February, 2017 was confirmed by the Committee after taking note of the action taken report on the same.

3. SPR in his opening remarks welcomed all members and other participants to the meeting. He informed that the new Performance Grant (PG) scheme has been formulated to ensure that the States / Gram Panchayats (GPs) adopt transparency, planning and also basic HDI factors such as Open Defecation Free (ODF) and child immunization. He further informed that while huge chunk of funds are flowing in the accounts of the Panchayats the Government is concerned about the manner of utilizations of these funds to achieve the desired objectives. In this connection, he emphasized the importance of mechanisms such as High Level Monitoring Committee (HLMC) as provided in the guidelines which should be constituted and meetings convened regularly to monitor the proper utilization of the FFC funds. Proper guidance and support to the GPs need to be provided by HLMC as otherwise these institutions will not be in a position to use the grants properly and effectively. In this regard Ministry of Finance (MoF) /Chief Economic Advisors has also sought inputs regarding utilization of FFC grants.

4 SPR further informed that the Government has constituted the Fifteenth Finance Commission and the Ministry of Panchayati Raj is initiating the process of drafting a Memorandum to the Commission for grants to Rural Local Bodies. In this connection he requested the States to assess the positives and the negatives of the Fourteenth Finance Commission award and the conditions attached to the release of grants and accordingly furnish inputs to this Ministry for inclusion in the Memorandum. The Ministry of Panchayati Raj (MoPR) is also convening a conference of State Panchayati Raj Ministers and Chairpersons and Members of various State Finance Commissions (SFCs). On the Gram Panchayat Development Plan (GPDP) it was pointed out that such plans at present are nearly a wish list and do not reflect the requirement of their local population. In this connection the State may consider associating local level Academicians, NGOs, Teachers and Lecturers to help in drafting the plans.

5. After Joint Secretary (SKP) gave a presentation on the agenda items, and the Committee was informed that:

**(a) Status of Release of Basic Grant:**

- For FY - 2015-16 - 1<sup>st</sup> and 2<sup>nd</sup> instalments of the grants have been released to all 26 States.
- For FY - 2016-17 - 1<sup>st</sup> instalment has been released to 25 States except Jammu & Kashmir (J&K) where duly elected Panchayats are not in place
- 2<sup>nd</sup> instalment has been released to 21 States except J&K; for reason mentioned above and Arunachal Pradesh, Assam and Punjab who have not submitted UC of previous instalment. For Goa recommendation of MoPR for release of 2<sup>nd</sup> instalment for FY 2016-17 has been sent to MoF
- For FY - 2017-18- 1<sup>st</sup> instalment has been released to 20 States except, Arunachal Pradesh, Assam, Goa, J&K, and Punjab for reasons mentioned above. Manipur has been requested to submit revise UC after payment of penal interest for the delay period.
- 2<sup>nd</sup> instalment has been released to 11 States namely Bihar, Chhatisgarh, Haryana, Himachal Pradesh, Jharkhand, Kerala, Karnataka, Maharashtra, Madhya Pradesh, Odisha and Uttarakhand. Recommendation in respect of Gujarat, Rajasthan, Telangana, Tripura and West Bengal has been sent to MoF for release.

**(b) Status of Performance Grant**

- For FY - 2016-17 Performance Grant has been released to 25 States (except Bihar which did not fulfil the mandatory condition of increase in Own Source Revenue)

The committee noted the above status of release of Basic Grants and Performance Grants (2016-17) and suggested for further action for release of subsequent instalment due. **(Action MoPR/States)**

6. **Consideration for recommendation of Performance Grant for FY 2017-18-** The Committee was informed that MoPR circulated the new PG scheme on 29<sup>th</sup> September, 2017 with the request that the notification may be issued and proposal sent to this Ministry for consideration by 31<sup>st</sup> October, 2017. In response notification of PG schemes has been received from Ten States (Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand, Maharashtra, Manipur, Sikkim, Tamil Nadu, Tripura and West Bengal). However, Evaluation of PG scheme parameters received only from Tripura.

The Committee deliberated on the details of the notifications and made the following observation:

- In the case of State of Tripura the notification of the PG Scheme by the State Government has been observed to be in compliance to the Scheme formulated by MoPR. The State has also submitted the evaluation summary as per the scheme in prescribed format which has

also been found to be in order. Accordingly, it has been suggested that recommendation may be made for release of PG for FY 2017-18 to the State. **(Action -MoPR)**

- In the case of States of Chhattisgarh, Jharkhand, Haryana, Manipur and Maharashtra it has been observed that the PG Schemes notified by the States are in full compliance to the Scheme formulated by MoPR. However, these States have not yet submitted the evaluation summary in the prescribed format. Accordingly, the Committee recommended in principle, release of PG for FY 2017-18 to the States of Chhattisgarh, Jharkhand, Haryana, Manipur and Maharashtra. However, the final recommendation to MoF may be made by the MoPR after receipt of evaluation summary in the prescribed format and also verified to be in order by recommendation Committee headed by JS (FD). **(Action- concerned States/ MoPR)**
- In the case of the States of Himachal Pradesh, Sikkim, Tamil Nadu and West Bengal the following anomalies were observed:

**(i) Himachal Pradesh:**

- Evaluation parameters of PG scheme not included in the PG Scheme notification by the State.

**(ii) Tamil Nadu:**

- The Scheme mandates GPs to use the Performance Grant for payment of consumption charges to State Electricity Board and Water Supply & Drainage Board as first charge on the Grant.
- Evaluation of PG scheme parameters not received from the State.

**(iii) Sikkim**

- Evaluation parameters of PG scheme not included in the PG Scheme notification by the State.

**(iv) West Bengal:**

- Scheme includes distribution criteria beyond that specified in MoPR Scheme.
- 60% expenditure is one of the criteria for Grant eligibility.
- Evaluation of PG scheme parameters not received from the State.

7. The committee recommended that the aforesaid States may be asked to rectify their respective schemes to be in compliance to the PG Scheme formulated by MoPR. The States may also be asked to send evaluation summary along with the rectified schemes based on which release of Performance Grant for FY 2017-18 may be recommended to MoF by recommendation Committee headed by JS (FD). **(Action- Concerned States / MoPR)**

8. The Committee also suggested that for the States, which are yet to submit the respective notification of the PG Schemes, reminders may be sent for early action and recommendation for release of PG for FY 2017-18 to the States may be made on similar line by recommendation Committee headed by JS (FD). **(Action -Concerned States/ MoPR)**

## **9. Other Issues:**

**Delay in submission of UCs:** The committee noted the details regarding the delay in submission of UCs as well as transfer of funds to GPs and suggested that the States may be advised to avoid such delays in respect of future instalments. **(Action- MoPR/States)**

**Updation of Sector-wise expenditure in FFC Dashboard:** The Committee suggested that the States may be advised to update the dashboard regularly to enable monitoring of effective utilization of the Funds. **(Action- States/ MoPR)**

**IPAI Manuals:** The committee suggested that the states who have not yet approve the manuals may be reminded to complete the process of approval at the earliest. **(Action-States/ MoPR)**

The Meeting ended with the vote of thanks to the Chair & participants.

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**5<sup>th</sup> Meeting of Coordination Committee held on 27.12.2017 at Conference Hall of Ministry of Panchayati Raj, New Delhi**

**Attendance Sheet**

Sl. No.	Name & Designation	Office/Ministry
1.	Shri Jitendra Shankar Mathur, Secretary	Ministry of Panchayati Raj
2.	Shri Bala Prasad, Additional Secretary	Ministry of Panchayati Raj
3.	Shri Sanjeeb Kumar Patjoshi, Joint Secretary	Ministry of Panchayati Raj
4.	Shri Kharak Singh Panchpal, Deputy Secretary	Ministry of Panchayati Raj
5.	Shri R. Shivakumar, Under Secretary	Ministry of Panchayati Raj
6.	Shri N P Toppo, Under Secretary	Ministry of Panchayati Raj
7.	Shri Anurag Rastogi, Principal Secretary	Panchayati Raj Department, Haryana
8.	Shri Birendra Bhushan, Director	Panchayati Raj Department, Jharkhand
9.	Shri Shamim Uddin, Director	Panchayati Raj Department, Madhya Pradesh
10.	Dr. Narendra Kumar Meena, Additional Development Commissioner	Panchayati Raj Department, Gujarat
11.	Shri C. Balaji, SPMU, RGSA	O/o CPR & RD, Andhra Pradesh
12.	Shri Deepak Anurag, Director General	O/o Controller General of Accounts
13.	Shri S N Rao, Associate Professor	NIRD&PR, Hyderabad
14.	Shri C. Kathiresan, Associate Professor	NIRD&PR, Hyderabad
15.	Shri M.C. Chand, Consultant	Ministry of Panchayati Raj
16.	Shri A. Sah, Consultant	Ministry of Panchayati Raj
17.	Shri Subodh Gurjar, Consultant	Ministry of Panchayati Raj
18.	Shri Mayank Kharbanda, Consultant	Ministry of Panchayati Raj

