

N-11013/22/2015-FD  
Government of India  
Ministry of Panchayati Raj  
(Fiscal Devolution Division)

11th Floor, Jeevan Prakash Building,  
K.G. Marg, New Delhi-110001  
Dated: 5<sup>th</sup> September, 2019

**OFFICE MEMORANDUM**

**Subject: Minutes of the Eighth Meeting of the Coordination Committee constituted for providing Guidance and Support to the State Governments and Local Bodies on Implementation of the Recommendations of the Fourteenth Finance Commission held on 29<sup>th</sup> August, 2019**

The undersigned is directed to enclose a copy of the minutes of the FFC Coordination Committee meeting held on 29-8-2019 on the above mentioned subject for information and necessary action.



(N.P. Toppo)

Under Secretary to the Govt of India  
Telefax : 011-23356124

Encl:a/a

To

1. All participants in the meeting
2. Secretary/Principal Secretary, Panchayati Raj Dept, all 26 FFC States

Copy for information to:

1. PPS to SPR
2. PS to AS(SS)



**Minutes of the 8<sup>th</sup> Meeting of the Coordination Committee, Ministry of Panchayati Raj (MoPR) for providing Guidance and Support to the State Governments and Local Bodies on Implementation of the recommendations of the Fourteenth Finance Commission (FFC) held on 29<sup>th</sup> August, 2019.**

The 8<sup>th</sup> meeting of the FFC Coordination Committee constituted by the Ministry of Panchayati Raj (MoPR) was held under the Chairmanship of Secretary, Ministry of Panchayati Raj (SPR) on 29<sup>th</sup> August, 2019 in MoPR Conference Hall, Jeevan Prakash Building, K.G.Marg, New Delhi. List of participants is at **Annexure-I**.

2. After the initial remarks of Dr. Sanjeeb Patjoshi, Joint Secretary welcoming the participants, Shri Rahul Bhatnagar, Secretary, Panchayati Raj, made the following observations.

- The local body governments have been recognized by the Constitution as a distinct entity having right to receive their share of Central and State taxes. The funds allocated to them by the Central and State Finance Commissions have provided large improvements in their basic infrastructure like water supply, roads etc and they are presently looking to improve their standards of living with modern upgradations like CCTVs, Wi-Fi etc.
- The Finance Commission allocations have provided large sums of grants in the hands of the Panchayats and combined with their various additional resources, provide substantial fiscal base in the recent times. In order to have proper accountability and effectiveness of use of these funds, MoPR has been advocating for preparation of Gram Panchayat Development Plans (GPDPs) and has circulated updated guidelines on the same.
- In order to enable the proper convergence of various resources to the Gram Panchayats (GPs) from Central and State Governments and their own revenues towards preparation of integrated GPDPs covering the 29 functions identified in the Constitution, the People's Plan Campaign (PPC) was launched last year from 2<sup>nd</sup> October to 31<sup>st</sup> December, 2018 wherein all the GPs prepared and uploaded their approved GPDPs in the Campaign Portal. It is proposed to repeat the PPC during the current year also so that GPDPs of FY 2020-21 can also be made in advance. All the Central Ministries have been requested to contribute to the efforts of synchronizing their various schemes and incorporation in the GPDPs.
- MoPR has entered into an MoU with the Common Service Centres (CSCs) SPV of Govt of India towards utilization of CSCs by the GPs. The presence of the CSCs, preferably co-located with the GP building, can provide various opportunities to the GPs to improve the productivity of their services while simultaneously also developing local talent and entrepreneurship.
- MoPR has also proposed to develop each of the elected ward members of the GPs into a mentor/trainer in a selected subject so that their contributions to the overall development of the GP can be enhanced.

3. A power point presentation was made by Joint Secretary(Patjoshi) covering the various aspects of the FFC Grants to the Gram Panchayats and on the issues of the agenda items of the Meeting.

4. The decisions arrived on the various agenda items were as below.

**1. Confirmation of minutes of meeting of the 7<sup>th</sup> FFC Coordination Committee**

The minutes of the 7<sup>th</sup> meeting held on 24<sup>th</sup> October, 2018 were confirmed by the Committee.

**2. Action Taken Report on the recommendations of the 7<sup>th</sup> meeting of the Committee held on 24-10-2018:**

The Committee took note of the Action Taken Report on the recommendations of the 7<sup>th</sup> meeting.

**3. Review of status of recommendation by MoPR to MoF for release of subsequent installment of Basic Grant:**

The Committee took note of the status of recommendations after last meeting date 24-10-18, amounting to Rs. 44227.75 Crore (BG) by MoPR to MoF for subsequent release of FFC Basic Grant installments.

**4. Review of status of release of installments of FFC Grants to the States:**

The Committee took note of the status of release of FFC Grants to the States of Rs. 144467.32 Crore (both BG and PG) for the Period FY 2015-16 to FY 2019-20 as reported in the agenda item.

**5. Long Delays in submission of Utilization Certificates (UCs) of Basic Grants by Some States:**

The Committee suggested that States may be reminded to submit the required UCs in time as the current financial year 2019-20 is the last year of the FFC Award and any unreleased allocation to the States would lapse by 31<sup>st</sup> March, 2021.

**(Action: MoPR/States)**

**6. Overdue of Rural Local Body Elections in some States:**

The Committee noted with concern the long delays in conduct of rural local body elections in the States of Arunachal Pradesh( since Feb2018), Andhra Pradesh(since Aug2018) and Tamil Nadu(since Oct2016) and suggested that the concerned States

may be prevailed upon to hold the elections at the earliest in order to avail the FFC Grants allocations in full.

(Action: MoPR/States)

**7. Status of adoption of PRIASoft-PFMS by Gram Panchayats for online Digital Payments:**

The Committee took note of the status of the adoption of PRIASoft-PFMS for online Digital Payments from FFC Grants. Total Number of GPs on board in PRIASoft-PFMS being 56,874 as on 2-9-2019. Status of few better implementation states- Karnataka - 6019 out of 6021 GPs- 99.9%, MP- 22720 out of 22821 – 99.5%, Assam – 2141 out of 2199 GPs- 97%, Chatisgarh- 5214 out of 10979 GPs- 47%, UP- 20389 out of 58808 GPs- 34.7%.

It was mentioned by the representatives of Uttarakhand State that the implementation of PFMS is getting delayed due to the decision of the PR dept. to change the bank accounts of GPs in the state from IndusInd Bank, who have been providing good handholding services, to other public sector/Cooperative/Rural banks. It was indicated that the State should review its decision considering the requirement for 100 % implementation of PFMS based payments by the GPs in the current year itself. It was

(Action: Concerned State)

**8. Status of Geo-Tagging of Assets created out of FFC Grants:**

The Committee took note of the status of geo-tagging of assets created out of FFC Grants. Total FFC assets geo-tagged being 505087 as on 2-9-2019.

**9. Recommendation of FFC Performance Grant for FY 2017-18 to Uttar Pradesh:**

It was decided to obtain the latest status of re-distribution of FFC Performance Grants for FY 2016-17 by the State of UP and also revised Utilization Certificate (UC) for FY 2016-17 based on which the decision regarding making recommendation of FFC Performance Grant for FY 2017-18 to the State of Uttar Pradesh can be made.

(Action: MoPR/Concerned State)

**10. Return of Unspent Balance of 12<sup>th</sup> and 13<sup>th</sup> Finance Commission Grants to the Rural Local Bodies:**

The Committee took note of the issue and suggested to obtain from Ministry of Finance, (MoF) the detailed process/procedure through which the unspent balance of

12<sup>th</sup> and 13<sup>th</sup> Finance Commission Grants to the Rural Local Bodies can be returned, and inform the States accordingly.

**(Action: MoPR/MoF/States)**

**11. Social Audit of works/activities taken up with FFC Grants:**

The Committee took note of the issue and suggested to involve the local fund auditors of the States for overseeing the social audits of works/activities taken up with FFC Grants.

**(Action: MoPR/States)**

**12. Impact Evaluation Study of FFC Grants by Institute of Economic Growth:**

A presentation was made by the Institute of Economic Growth (IEG), New Delhi on the interim findings of the Impact Evaluation Study of FFC Grants to the Committee members. The brief summary of the interim findings of the study is given at **Annexure II**.

**13. Other Issues**

The broad contours of the MoPR 5 Year Vision document for five years was shared with the Committee members. SPR requested all the States to take necessary efforts towards fulfilling the mission of saturating the Gram Panchayats with certain basic amenities such as street light, roads, water drain, toilets and drinking water supply from funds provided by Finance Commission and other Govt. schemes within the Vision period.

**(Action: States)**

MoPR has also created a dashboard in its GPDP portal ([www.gpdp.nic.in](http://www.gpdp.nic.in)) for monitoring 100 days' programme of the Government and progress in the targets, namely, number of GPDPs uploaded in Plan Plus, works initiated in GPs during 2019-20, No. of GPs on board in PRIASoft-PFMS platform and number of elected representatives (ERs) trained. The States were asked to update their respective data in the portal in order to represent the correct picture of achievement of the 100 days' targets.

**(Action: States)**

The details of the Government of India campaigns "Jal Shakti Abhiyan", "Fit India Movement" and "Plastic Waste Free (Swachhta hiSewa) Abhiyan" were shared with the

members and the States have been requested to involve the GPs extensively in various activities of the campaigns and make them successful.

**(Action: States)**

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

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**Annexure-I**

**8<sup>th</sup> Meeting of Coordination Committee held on 29-8-2019 at Conference Hall, MoPR**

**List of Participants**

<b>Sl. No.</b>	<b>Name &amp; Designation</b>	<b>Office/Ministry</b>
1.	Shri Rahul Bhatnagar, Secretary	Ministry of Panchayati Raj
2.	Dr. Sanjeeb Kumar Patjoshi, Joint Secretary	Ministry of Panchayati Raj
3.	SmtSujata Sharma, Economic Adviser	Ministry of Panchayati Raj
4.	Shri AlokPrem Nagar, Joint Secretary	Ministry of Panchayati Raj
5.	Smt. Vidhu Sood, Principal Director	Office of CAG
6.	Shri Debasis Pal, Director	Ministry of Panchayati Raj
7.	Ms. Roop Avatar Kaur, Director	Ministry of Rural Development
8.	Shri N.P.Toppo, Under Secretary	Ministry of Panchayati Raj
9.	Shri RamendraPratap Shukla,	Department of Drinking Water & Sanitation
10.	Shri G.S.Dhillon, Director	Ministry of Housing and Urban Affairs
11.	Shri M.Maheshwari, Suptdg Engineer	Panchayati Raj Department, Rajasthan
12.	Smt Manisha Shah	Panchayati Raj Department, Rajasthan
13.	Dr.B.D.R.Tiwari, Director	Panchayati Raj Department, UP
14.	Shri R.S.Chowdhary, Dy. Director	Panchayati Raj Department, UP
15.	Smt Uma Mahadevan, Principal Secretary	Panchayati Raj Department, Karnataka
16.	Shri H.C.Semwal, Director	Panchayati Raj Department, Uttarakhand
17.	Ms. Kanchan	Panchayati Raj Department, Uttarakhand
18.	Shri Ashok Choubey, Dy. Secretary	Panchayati Raj Department, Chattisgarh
19.	Shri G.S.Krishnan, Consultant	Ministry of Panchayati Raj



**Brief Summary of the Interim Findings of the FFC Study by IEG**

1. Only 82% (47 GPs) out of the 57 visited GPs have their own Gram Panchayat Bhawan /Building.
2. Those who have own Gram Panchayat Bhawan /Building about 75% have computer facilities and 56% have access of internet connections.
3. **Average percentage of total utilization of FFC grant between 2015-16 to 2018-19 is 83.1% per GP.**
4. 5 out of 57 covered GPs are utilizing less than 40% of total allotted fund. While 34 GPs are spending more than 80% of total received amount from the FFC fund.
5. There is significant contribution of State Finance Commission (SFC) grant in Bihar, Kerala, Tamil Nadu and Uttar Pradesh. Tamil Nadu has highest contribution of SFC with 44.1%.
6. **6 out of 8 visited states are generating Own Source Revenue (OSR). Where Maharashtra has highest of OSR contribution with 32.5%,while Tamil Nadu has only 6.4% OSR contribution of total fund.**
7. Only Karnataka, Kerala, Tamil Nadu and Maharashtra among the visited states (selected districts and GPs) have succeeded to avail performance grant during 2016-17 to 2018-19.
8. In assets creation, **Road is mainly being constructed across the states** except for Tamil Nadu from the FFC grant with 42.4% share. In Tamil Nadu 60% has been utilized of FFC grant in providing drinking water facilities. States like Karnataka, Maharashtra, Uttar Pradesh and West Bengal have also spent quite significant amount on the drinking water facilities.
9. **It was observed that the convergence is not in all visited states; only in three states namely Karnataka, Kerala and West Bengal are involved in some kind of convergence.**
10. **About 75% GP's elected representatives have undergone any kind of training during last four years.** It was also noted that the outcome of the trainings was not much effective as most of the ERs not able to recall anything about the training.
11. Software's are utilized by Panchayat Secretary/ Data Entry Operator in all the visited GPs. Data entry and updating works are being done somewhere at GP level, while somewhere it is happening at the block level.
12. Awareness regarding GPDP and FFC is very low across the northern states.
13. Attendance in Gram Sabha meeting is very low in Uttar Pradesh and Bihar with approximate 23% and 33% respectively. While in southern states it is quite higher.
14. Low participation of villagers in the Gram Sabha is detrimental to the overall development activities in the Panchayats.

### **GramodaySankalp Magazine**

- **So far we haven't seen much percolation of GramodaySankalp magazine, in fact we could see the magazine in only 11 GPs (19.3%) out of 57 GPs.**
- It was also observed that the GPs who are getting magazines are never gone through the reading materials. Although it is a great source of self-learning for elected representatives (ERs) and villagers.
- Distribution of the magazine should be improved across all blocks and GPs.
- Awareness level around the magazine can be increased through media efforts and policy advocacy.

### **Major influencing factors**

- Low attendance in Gram Sabha.
- **High work load of Panchayat Secretaries (PS)**
- Unavailability of Panchayat Building and Related Infrastructures
- Low or No Own Source Revenue (OSR)
- Inadequate Training of Panchayat Secretaries.