

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: 17th July, 2018

OFFICE MEMORANDUM

Subject: Minutes of the Sixth 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 June, 26, 2018

The undersigned is directed to enclose a copy of the minutes of the Coordination Committee meeting held on 26-6-2018 on the above mentioned subject for information and necessary action.


(R. Shivakumar)

Under Secretary to the Govt of India
Telefax : 011-23753812

Encl:a/a

To

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

Copy for information to:

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



Minutes of the 6th 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 26th June, 2018.

The 6th 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 26th June, 2018 in Unnati Hall, Krishi Bhavan, New Delhi. List of participants is at **Annexure-I**.

2. After the initial remarks of SPR welcoming the participants, a power point presentation was made by JS(SKP) highlighting the various issues concerning Fourteenth Finance Commission (FFC) Grants to the Gram Panchayats (GPs)
3. Subsequently, the agenda items were taken up for discussion and following decisions were arrived at.

1. Confirmation of minutes of meeting of the 5th FFC Coordination Committee

The minutes of the 5th meeting held on 27th December, 2017 were confirmed by the Committee.

2. Action Taken Report on the recommendations of the 5th meeting of the Committee held on 27-12-2017:

The Committee took note of the Action Taken Report on the recommendations of the 5th 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 by MoPR to MoF for subsequent release of Basic Grant.

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 as reported in the agenda item.

5. Recommendation for release of Performance Grant for FY 2017-18 to the State of Uttar Pradesh (UP):

Detailed deliberations were held on the issue. The representatives of UP State PR Department informed the Committee that the Own Source Revenue(OSR) generation by the GPs was not being correctly reflected in the book of accounts of the GPs as there are many revenue sources of the GPs which are collected/ appropriated by the revenue Department of the State. This has happened due to lack of awareness and procedural formalities in the State. If such revenues to be collected

by the GPs are considered and reflected in the books of GPs, then the number of GPs fulfilling the eligibility criteria will rise many fold. Further, the Committee was informed that audit of accounts of the GPs up to 2015-16 has additionally been completed for many GPs and the number needs to be corrected in the evaluation summary. The State representatives informed the Committee that an exercise has been initiated in the State to rework the OSR collection to the GPs on the above account and also reflect the same in the account books of the GPs. They requested for three months' time till 30th Sept 2018 to submit revised evaluation summary for the claim of Performance Grant for FY 2017-18. The revision exercise is likely to make more number of GPs to become eligible for the PG for FY 2017-18 and for the subsequent years, which may also increase to substantial numbers to the extent of about 5000 GPs.

In view of the submission of the State representatives, the Committee agreed for extension in time by another three months till 30th Sept 2018 for the same provided a formal request is made by the UP Government in this regard.

(Action: UP PR Department/ MoPR/MoF)

6. Guidelines issued by the State of Bihar for Utilisation of FFC Grants in Chief Ministers' Schemes

The Committee took note of the issue as reported in the agenda item.

7. Implementation of PFMS for FFC funds.

The status of implementation of PFMS for the FFC funds and integration of PRIASoft with PFMS was deliberated upon. SPR stressed on the need for early implementation of the PFMS for the FFC grants by the States in order to ensure effective utilization of the grants and to ensure transparency and accountability. He instructed that the following four aspects of the implementation should be completed by 30th September, 2018

- Book closure up to 2017-18 in PRIASoft to be completed 100%
- Integration of PRIASoft with PFMS so that payments to FFC vendors/ service providers are made through the PFMS. Those States using their own softwares for accounting should link their software through web-services or other suitable technical means to transfer data to PRIASoft.
- Implementation of an electronic financial management system (e-FMS) so that the funds can be utilized on a "pull" mode by the GPs as and when they require the same and unnecessary parking of funds is avoided.

- Geo-Tagging of all assets/ facilities created with FFC funds and display them through m-ActionSof to enable correct representation of the assets in different programmes.

States should take action to provide Digital Signature Certificates (DSCs) to the panchayat functionaries.(Sarpanch & Panchayat Secretary)

(Action: MoPR/States/ NIC-MoPR/PFMS)

8. Memorandum to the Fifteenth Finance Commission

The Committee took note of the issue as reported in the agenda item.

9. Any other issue members may like to raise with permission of the Chair.

- The issue of redistribution of undistributed amount of Performance Grant among the eligible Gram Panchayats was discussed. On the basis of the suggestions made by the members of the Committee including the State representatives, the Committee recommended to cap the redistribution of the undistributed portion of PG to 5 times the allocation of Basic Grants to the GP for the claim year. This recommendation was made to avoid parking of funds with the GPs in cases where excess amount of PG becomes available for redistribution due to only a small percentage of GPs qualifying to draw the allocation of PG for the claim year. The remaining amount of total PG allocation after the redistribution will not be disbursed to the State. Necessary changes in the MoPR - PG scheme and Ministry of Finance Guidelines on FFC in this regard may be made.

(Action: MoPR/MoF)

- SPR suggested that the amounts earmarked as administrative & technical components of different schemes like MGNREGA, PMAY, FFC etc. can be pooled together towards strengthening the HR systems of GPs as suggested in the Sumit Bose Committee report. He also suggested that present staff who are already deployed as Assistants/Computer Operators/Rozgar Sahayaks in the schemes of Ministry of RD can be utilized for the purpose of data entry related to utilization of FFC grants and for photo-geo tagging of assets in mActionSoft.
- SPR also informed the Committee that the exercise to link the software of MoRD with Panchayat Enterprises Suite (PES) of MoPR is being undertaken so that the Plan Plus will provide consolidated information on all the schemes undertaken by

the Panchayats in a pre-populated manner. The integration exercise is to be completed by August, 2018. He suggested that capacity building programmes are organized by the States, so that GPs are able to effectively utilize Plan Plus etc towards effective preparation and reporting of GPDs.

- On the issue of higher charges levied by BSNL for internet connectivity to the GPs in the State of Gujarat, it was informed that MoPR will take up the issue with Dept. of Telecom/ MEITY after receipt of the details from the State.

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

6th Meeting of Coordination Committee held on 26.06.2018 at Unnati Hall, Krishi Bhavan, New Delhi

List of Participants

Sl. No.	Name & Designation	Office/Ministry
1.	Shri Amarjeet Sinha, Secretary	Ministry of Panchayati Raj
2.	Shri Jaideep Govind, Special Secretary &FA	Ministry of Panchayati Raj
3.	Shri Sanjeeb Kumar Patjoshi, Joint Secretary	Ministry of Panchayati Raj
4.	Smt Alka Upadhyaya, Joint Secretary	Ministry of Rural Development
5.	Shri R. Shivakumar, Under Secretary	Ministry of Panchayati Raj
6.	Shri Harkesh Chander, Under Secretary	Ministry of Panchayati Raj
7.	Shri Ashu Mathur, Adviser	DoE, Ministry of Finance
8.	Shri Subhash Meena, Joint Director	DoE, Ministry of Finance
9.	Shri Sashi Bhushan, Controller of Accounts	Ministry of Rural Development
10.	Shri A.Muralidharan, Dy.Adviser	Ministry of Drinking Water & Sanitation
11.	Shri G.S.Dhillon, Director	Ministry of Housing and Urban Affairs
12.	Shri Rakesh Sandhu, Dy.Director	Panchayati Raj Department, Haryana
13.	Shri Birendra Bhushan, Director	Panchayati Raj Department, Jharkhand
14.	Smt Richa Choudhary, State Consultant(LSG)	Panchayati Raj Department, Jharkhand
15.	Shri Shamim Uddin, Director	Panchayati Raj Department, Madhya Pradesh
16.	Shri Manoj Aggarwal, Principal Secretary	Panchayati Raj Department, Gujarat
17.	Shri M.Sudhakar Rao, Addl. Commissioner	Panchayati Raj Department, Andhra Pradesh
18.	Shri Akash Deep, Director	Panchayati Raj Department, Uttar Pradesh
19.	Shri Girish Chandra, Dy.Director	Panchayati Raj Department, Uttar Pradesh
20.	Shri R.S.Chaudhary, Dy.Director	Panchayati Raj Department, Uttar Pradesh
21.	Dr. Y.Bhaskar Rao, Professor	NIRD&PR, Hyderabad
22.	Shri G.S.Krishnan, Consultant	Ministry of Panchayati Raj

