

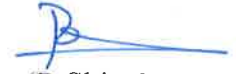
F.No. N-11013/22/2016-FD  
Government of India  
Ministry of Panchayati Raj  
(Fiscal Decentralization Division)

11th Floor, Jeevan Prakash Building,  
K.G. Marg, New Delhi-110001  
Dated:15<sup>th</sup> November, 2016

**OFFICE MEMORANDUM**

**Subject: Minutes of the Third Meeting of the Coordination Committee for providing Guidance and Support to the State Governments and Local Bodies on Implementation of the Recommendations of the Fourteenth Finance Commission held on October 20, 2016.**

The undersigned is directed to enclose a copy of the minutes of the Coordination Committee meeting held on 20-10-2016 under the chairmanship of Secretary, Panchayati Raj on the subject cited above for information and necessary action.



(R. Shivakumar)

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

Encls.: as above.

To

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

**Copy for information to:**

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



## Minutes of the 3<sup>rd</sup> Meeting of the Coordination Committee, MoPR Fourteenth Finance Commission held on October 20, 2016

The 3<sup>rd</sup> meeting of 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 20<sup>th</sup> October, 2016 at 11:00 AM, in MoPR Conference Hall. *List of participants is at Annexe-I.*

2. The minutes of the meeting held on 21-7-2016 were confirmed by the Committee.
3. At the outset, SPR welcomed the members and informed that as per Department of Expenditure decision dated 01/09/2016, release of further installments of Basic Grants to States shall be made on the recommendations of the Ministry of Panchayati Raj (MoPR) based on the Utilization Certificates submitted by the State Governments .
4. The release status of basic grants was reviewed. The Committee was informed that States of Assam and Goa were yet to submit the UCs for 1st installment of BG for the FY 2015-16. On the issue of delay in submission of Utilization Certificates by these two States, it was pointed out that since the States were liable to pay penal interest for delay beyond 15 days from the date of receipt, longer the delay in transfer to GPs heavier would be the penal interest liability on the State Governments.

SPR, therefore, emphasized the need for immediate release of grants to GPs by the States of Assam and Goa and submission of UCs to enable release of 2<sup>nd</sup> installment of FY 2015-16. The Committee further noted that 13 States have drawn 1st installment of Basic Grant (BG) for the FY 2016-17 and six more States have been recommended release by the MoPR. Remaining 7 States could not be recommended due to various reasons including non- submission of UCs, delayed transfer of Grants to GPs, non-payment of interest, etc. The detailed position on the release of BG is at Annexe-II.  
**[Action: MoPR; 7 States]**

5. It was observed that States of Karnataka, Uttar Pradesh and West Bengal could not avail entitled share of Basic Grants due to constitution of Panchayats in less number

of GPs. States were requested to take necessary action for constitution of remaining GPs to avail entitled grants. **[Action: Karnataka; Uttar Pradesh and West Bengal]**

**6. Consideration of recommendations for release of Performance Grant (PG) for 2016-17 under FFC:**

The Committee noted that only 21 States namely, Andhra Pradesh; Arunachal Pradesh; Chhattisgarh; Goa; Gujarat; Haryana; Himachal Pradesh; J&K; Karnataka; Madhya Pradesh; Manipur; Maharashtra; Odisha; Punjab; Rajasthan; Sikkim; Telangana; Tripura; Tamil Nadu; Uttar Pradesh and West Bengal have submitted notified Schemes for disbursement of Performance Grant (PG) to the GPs. The Committee further noted that as per recommendations of the FFC and the Guidelines of MoF dated 8-10-2015, the disbursement of PG to GPs will be decided by the State Government concerned subject to fulfillment of the following two eligibility conditions:

- (i) The GPs will have to submit audited accounts that relate to the year not earlier than two years preceding the year in which the GPs seek to claim the Performance Grant.
- (ii) The GPs will have to show an increase in their own revenues over the preceding years as reflected in the audited accounts.

The Committee considered the schemes on operational criteria formulated 21 States for availing Performance Grants and observed that States have imposed additional mandatory eligibility criteria besides two stipulated conditions for distribution of PG which is not in accordance with FFC recommendations.

The Committee opined that additional mandatory eligibility criteria cannot be imposed and, therefore, recommended release of Performance Grants to the above mentioned 21 States with an advisory to States to apply only two FFC stipulated eligibility criteria for disbursement of PG to the eligible GPs.

However, States may decide the detailed procedure and the operational criteria, including quantum of incentives to be given for disbursement of performance grants to eligible GPs in accordance with para 13 of FFC guidelines dated 08/10/2015.

SPR opined that this was the present position but the matter shall be taken up with Ministry of Finance. In the meantime, States must furnish physical and financial

progress as per the Ministry's online Dashboard made for the purpose for which they shall need to have real time information of GP wise of works approved , progress and expenditure incurred against allocations. States should be advised to have MIS developed that would enable aggregated information to be uploaded on the Dashboard of this Ministry. Physical and financial sanctionutilization of FFC grant alongwith progress of sanctioned works must be regularly reviewed at the District and State levels.

Committee also desired that remaining five States namely, Assam; Bihar; Jharkhand; Kerala and Uttarakhand, may be asked to submit schemes latest by 31<sup>st</sup> October, 2016 for consideration/recommendation by the Coordination committee for release of PGs. **[Action: MoPR/ States of Assam; Bihar; Jharkhand; Kerala and Uttarakhand]**

## **7. Other issues:**

### **(i) *Dovetailing of FFC Grants with other Central Schemes***

Issue of dovetailing of FFC grants with other schemes was deliberated in detail. The Committee, after due deliberations suggested that convergence of activities under FFC grants and with other schemes is important both for efficiency and meaningful outcome of works undertaken by GPs. Hence, dovetailing of FFC grants with other schemes may be allowed for activities permissible under FFC award as proper separate accounts are being maintained in respect of expenditure from FFC grants. In this regard, clarifications to be issued by the MoPR in consultation with the DoE **[Action: MoPR/All States]**

### **(ii) *Adoption of State Specific Budget, Accounts and Audit Manuals prepared by Institute of Public Auditors of India (IPAI).***

The Committee was informed that so far only four States namely, Maharashtra, Manipur, Arunachal Pradesh and Punjab have adopted the State Specific Budget, Accounts and Audit Manuals prepared by Institute of Public Auditors of India (IPAI). The Committee desired that the remaining States may expedite the process of adoption of Manuals in their legal framework. This would also enable the Ministry to release final/balance payment to IPAI and close the consultancy work. **[Action: All States except Maharashtra, Manipur, Arunachal Pradesh and Punjab]**

(iii) **Monitoring of progress of expenditure incurred utilising these grants**

The SPR emphasized that details regarding allocation/release of FFC grants to GPs and sector-wise expenditure need to be captured so that all are aware of tangible outcomes from FFC grants. SPR also emphasized updation of MoPR developed online MIS Dashboard under PlanPlus application and linking of State specific MIS application, if any, with the MIS of MoPR for capturing real time mentioned information. [**Action: All States**]

8. Meeting ended with vote of thanks to the Chair.

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**Third Meeting of the Coordination Committee held on 20-10-2016 at 11:00 AM at  
Conference Hall, MoPR, JP Building, New Delhi**

**List of participants**

<b>Sl. No.</b>	<b>Name &amp; Designation</b>	<b>Address</b>
1.	Sh. J. S. Mathur, Secretary,	Ministry of Panchayati Raj, New Delhi
2.	Sh. A.K.Goyal, Additional Secretary	Ministry of Panchayati Raj, New Delhi
3.	Sh. S.K.Patjoshi, Joint Secretary	Ministry of Panchayati Raj, New Delhi
4.	Sh. S.S.Prasad, Director (FD)	Ministry of Panchayati Raj, New Delhi
5.	Sh. Dilip Kumar, Director (Finance)	Ministry of Panchayati Raj, New Delhi
6.	Sh.R.Shivakumar, Under Secretary	Ministry of Panchayati Raj, New Delhi
7.	Sh. N.P.Toppo, Under Secretary	Ministry of Panchayati Raj, New Delhi
8.	Sh. S. K. Mann, Under Secretary	Ministry of Panchayati Raj, New Delhi
9.	Sh. Saraswati Prasad, Additional Secretary	Ministry of Drinking Water & Sanitation, New Delhi
10.	Sh. V.B.Pyarelal, Addl. Chief Secretary, Panchayat & RD	Government of Assam, Dispur
11.	Sh. C.K.Tewary, Principal Secretary, PR Department	Government of Uttar Pradesh, Lucknow
12.	Sh. Gopal Prasad, Director (FCD)	Department of Expenditure (FCD), Ministry of Finance, New Delhi
13.	Sh. M. Manohara Singh, Addl. Director, R&D and PR Department	Government of Tamil Nadu
14.	Sh. R.B.Kaul, Assistant Director (FCD)	Department of Expenditure (FCD), Ministry of Finance, New Delhi
15.	Dr. Y. Bhaskar Rao, Professor & Head CDP	NIRD&PR, Hyderabad
16.	Dr. Sandeep Thakur, SRO	National Institute of Urban Affairs (NIUA), New Delhi

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**Allocation and Release of Basic Grant to State Governments for Rural Local Bodies (RLBs) for the year 2015-16 and 2016-17 recommend by FFC**  
(as on 26-09-2016)

*Annex II*  
(Amount Rs. in crore)

Sl. No.	States	2015-16										2016-17					
		*Annual Allocation	Amount Released by MoF		Date of release		*Annual Allocation	Amount Released by MoF		Date of Release							
			1st Instalment	2nd Instalment	1st Instalment	2nd Instalment		1st Instalment	2nd Instalment	1st Instalment	2nd Instalment						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)				
1	#Andhra Pradesh	934.34	467.17	461.24	928.41	30.06.2015	08.02.2016	1293.75	642.77	0.00	642.77	18.07.2016					
2	Andhra Pradesh	88.52	44.26	44.26	88.52	18.08.2015	15.06.2016	122.58	0.00	0.00	0.00						
3	Assam	584.80	292.40	0.00	292.40	18.08.2015	Nil	809.76	0.00	0.00	0.00						
4	Bihar	2269.18	1134.59	1134.59	2269.18	30.06.2015	23.03.2016	3142.08	0.00	0.00	0.00						
5	Chhattisgarh	566.18	283.09	283.09	566.18	29.07.2015	11.12.2015	783.98	0.00	0.00	0.00						
6	Goa	14.44	7.22	0.00	7.22	13.07.2015	Nil	20.00	0.00	0.00	0.00						
7	Gujarat	932.25	466.13	466.12	932.25	18.08.2015	08.01.2016	1290.86	645.43	0.00	645.43	20.06.2016					
8	Haryana	419.28	209.64	209.64	419.28	30.06.2015	01.02.2016	580.57	290.29	0.00	290.29	27.06.2016					
9	Himachal Pradesh	195.39	97.70	97.69	195.39	27.08.2015	08.01.2016	270.56	135.28	0.00	135.28	15.06.2016					
10	#Jammu & Kashmir	373.96	186.98	180.74	367.72	13.07.2015	16.03.2016	517.81	0.00	0.00	0.00						
11	Jharkhand	652.83	326.42	326.41	652.83	29.07.2015	31.03.2016	903.96	451.98	0.00	451.98	04.07.2016					
12	Karnataka	1002.85	501.43	470.95	972.36	29.07.2015	31.03.2016	1388.62	684.16	0.00	684.16	21.07.2016					
13	Kerala	433.76	216.88	216.88	433.76	13.07.2015	02.06.2016	600.62	0.00	0.00	0.00						
14	Madhya Pradesh	1463.61	731.81	731.80	1463.61	13.07.2015	18.02.2016	2026.62	1013.31	0.00	1013.31	16.09.2016					
15	Maharashtra	1623.32	811.66	811.66	1623.32	30.06.2015	20.11.2015	2247.77	1123.88	0.00	1123.88	26.08.2016					
16	Manipur	22.25	11.13	11.12	22.25	30.06.2015	01.02.2016	30.80	0.00	0.00	0.00						
17	Odisha	955.52	477.76	477.76	955.52	13.07.2015	01.02.2016	1323.09	661.55	0.00	661.55	10.06.2016					
18	Punjab	441.70	220.85	220.85	441.70	30.06.2015	02.06.2016	611.61	0.00	0.00	0.00						
19	Rajasthan	1471.95	735.98	735.97	1471.95	18.08.2015	15.12.2015	2038.17	1019.09	0.00	1019.09	30.06.2016					
20	Sikkim	16.03	8.02	8.02	16.04	30.06.2015	20.11.2015	22.20	0.00	0.00	0.00						
21	Tamil Nadu	947.65	473.83	473.82	947.65	13.07.2015	18.02.2016	1312.19	656.10	0.00	656.10	15.06.2016					
22	Telangana	580.34	290.17	290.17	580.34	29.07.2015	08.02.2016	803.58	0.00	0.00	0.00						
23	Tripura	36.24	18.12	18.12	36.24	30.06.2015	08.01.2016	50.18	25.09	0.00	25.09	26.08.2016					
24	#Uttar Pradesh	3862.60	1931.30	1921.30	3852.60	23.10.2015	31.03.2016	5348.45	0.00	0.00	0.00						
25	Uttarakhand	203.26	101.63	101.63	203.26	13.07.2015	18.02.2016	281.45	140.73	0.00	140.73	07.06.2016					
26	W. Bengal	1532.21	735.43	0.00	735.43	18.08.2015	Nil	2121.61	0.00	0.00	0.00						
	<b>Total</b>	<b>21624.46</b>	<b>10781.60</b>	<b>9693.81</b>	<b>20475.41</b>			<b>29942.87</b>	<b>7489.64</b>	<b>0.00</b>	<b>7489.64</b>						

Note: Information has been compiled based on the release orders issued by MoF.

\*As recommended by FFC

#Released on pro-rata basis on the basis of information provided by the State Government.

