

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:3113
ANSWERED ON:05.09.2007
ALLOCATION OF FUNDS DIRECTLY TO PANCHAYATS
Chavda Shri Harisinh Pratapsinh

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether the Union Government has taken a decision to allocate the funds directly to the Gram Panchayats;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) whether any State has expressed resentment against this move of the Union Government;
- (e) if so, the names of such States alongwith the reasons therefor; and
- (f) the reaction of the Union Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PANCHAYATI RAJ (SHRI MANI SHANKER AIYAR)

(a) to (c): No Sir. No decision has been taken by the Union Government to allocate funds directly to Gram Panchayats. However, one of the goals set by the Government in the National Common Minimum Programme is to ensure that funds going to the Panchayats are neither delayed nor diverted. In pursuance of this goal, a Committee in the Ministry of Panchayati Raj went into this issue in detail and submitted its report in May, 2005. In pursuance of the recommendations of this Committee, the Ministry of Panchayati Raj supports the position that financial inflows meant for Panchayats should first flow into the Consolidated Fund of State Governments, but should then be speedily transferred direct to the Panchayats `without delay or diversion`. Releases of funds on the basis of recommendations of the Twelfth Finance Commission and under the BRGF Programme conform to this pattern of fund flow.

(d) to (f): Does not arise.