

Funds for PRIs as per UPA's programme

4550. SHRI MANI SHANKAR AIYAR: Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) the present status of the scheme formulated by the Ministry for Efficient and Simple Financial Management System and on-line Transfer and Tracking of Funds, based on the earlier proposal for electronic tagging and tracking of Central funds meant for deployment at the Panchayat level; and

(b) in this connection, the progress with respect to ensuring that State Governments and Union Territory Administrations ensure that funds for Panchayati Raj Institutions (PRIs) reach PRJs 'without delay and diversion' as pledged in the UPA's Common Minimum Programme?

THE MINISTER OF PANCHAYATI RAJ (SHRI V. KISHORE CHANDRA DEO):

(a) and (b) The mechanism of efficient and simple financial management system and on-line transfer and tracking of funds is presently being implemented in the Backward Regions Grand Fund Scheme administered by the Ministry of Panchayati Raj. The Guidelines of the Scheme, *inter-alia*, stipulate that all funds will be transferred to the Consolidated Funds of State Governments. Those funds that are to be transferred to Panchayats and Municipalities by the State Governments will be transferred to their bank accounts, following the same stipulations as prescribed for the devolution of 12th Finance Commission Grants, namely, within 15 days of the release of funds to the Consolidated Fund. From the State level, the funds will be directly deposited into the bank accounts of the Panchayat or Municipality concerned, using the mechanism of bank transfers suggested by the Task Force of the Ministry of Panchayati Raj to study the feasibility of rapid transfer of funds through banks to Panchayats. Further, it has also been stipulated that in case of delay in transfer of funds by the State Governments beyond the 15 days period, a penal interest @ equal to RBI bank rate shall be required to be transferred by the State Governments to PRIs/ULBs along with such delayed transfer of fund.

Centrality of Panchayati Raj Institutions

4551. SHRI MANI SHANKAR AIYAR: Will the Minister of Panchayati Raj be pleased to state:

(a) whether a detailed advisory was issued to all Union Ministries undertakings Centrally Sponsored Schemes and Additional Central Assistance regarding the need to review their respective guidelines to ensure the centrality of Panchayati Raj Institutions in planning and implementation in conformity with the provision of the Constitutions;