



As issue

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ଓଡ଼ିଶା ସରକାର

ପଞ୍ଚାୟତି ରାଜ ଓ ପାନୀୟ ଜଳ ବିଭାଗ
GOVERNMENT OF ODISHA
PANCHAYATI RAJ & DRINKING WATER
DEPARTMENT

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PR-SFC-POLICY-0003-2020

From

Shri Deoranjana Kumar Singh, IAS
Principal Secretary to Government

To

All Collectors
All Project Directors, DRDAs.

Sub: - **Comprehensive Guidelines for Utilization of Untied and Tied grants by PRIs as recommended by the 15th Central Finance Commission during 5 Years award period i.e. from 2021 - 22 to 2025-26.**

Madam / Sir,

In inviting reference to the subject cited above, I am directed to say that the 15th Central Finance Commission have recommended allocation of fund distribution formula both Untied and Tied Grant for the award period of 5 years i.e. from 2021-22 to 2025-26 with focus on empowering Local Bodies and have recommended grants **(both Tied & Untied)** for all the 3 tier Panchayati Raj Institutions in the State, i.e, Gram Panchayats, Panchayat Samities and Zilla Parishads along with **year wise Health sector allocation for development and creation of infrastructure & facilities of CHCs, PHCs and SCs in Rural areas .**

(A) The recommendations of the Commission in respect of band for inter tier distribution has been accepted by the State in the ratio of 70:20:10 for the Gram Panchayat, Panchayat Samiti and Zilla Parishad respectively and the intra tier distribution (distribution within the tier) is in conformity with the accepted recommendations of the latest 5th SFC allocation formula for (a) Gram Panchayats in the category of slabs in rural population i.e, (i) upto 5000 (ii) 5001-7500 (iii) 7501-10000 (iv) above 10000. (b) for Panchayat Samities the intra tier distribution has been made considering G.P as a unit in a Panchayat Samiti and (c) for Zilla Parishad the intra tier distribution has been made considering numbers of Panchayat Samiti as a unit in the concerned Zilla Parishad .

(B) The 15th Central Finance Commission during the 5 years award period i.e. from 2021-22 to 2025-26 have recommended as follows :-

- 1. Untied grants (40%)** of the total recommended grant to each level PRI body against each year to be utilised for location specific felt needs except salary or other establishment expenditure.

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2. **Tied grants (60%)** of the total recommended grant to each level PRI body each year award period to be utilised for basic services like :
- 50% of the total Tied Grant at each level of PRIs is earmarked for Sanitation and maintenance of Open Defecation Free (ODF) status and this should include management and treatment of household waste, human excreta and faecal sludge management and
 - So also 50% of the total Tied Grant is earmarked for Supply of drinking Water, rain water harvesting and water recycling.

However, if any one of the purpose out of above criteria has been saturated by the RLB, then the fund earmarked can be utilised for the other purpose.

The budgetary allocation for Rural Local Bodies both in Tied & Untied grants for 5 years i.e. from 2021-22 to 2025-26 as recommended by 15th Finance Commission is as follows:

(Rs. in crore)

	2021-22	2022-23	2023-24	2024-25	2025-26	2021-26
Rural Local Bodies (Total allocation)	1669	1728	1747	1851	1605	8800
*Untied	667.6	691.2	698.8	740.4	722	3520
*Tied	1001.4	1036.8	1048.2	1110.6	1083	5280

I. MODE OF RELEASE :

The Grants will be released directly to concerned Gram Panchayats, Panchayat Samities and Zilla Parishads in two tranches i.e, in June/July and October/ November of each year in IFMS mode to their approved Central Finance Commission Bank Accounts integrated with PFMS and e-gramswaraj.

*****However, the amount of grant to be transferred to the concerned tier of PRIs will depend upon actual release of the grant by Government of India.***

II. Procedure for Utilisation of funds by 3 Tier PRIs .

The project proposals (works plan list) to be taken up in each year under Untied fund (40% of allocation of RLB) and Tied Funds (60% allocation of RLB) of 15th Central Finance Commission shall be categorized and included in **GPDP (Tied) and GPDP (untied) , BPDP (Tied) and BPDP (untied) and DPDP (Tied) and DPDP (untied) separately in category A & B respectively for proper monitoring of expenditure and utilization of the funds as per guidelines.**

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The Annual Action Plan/Perspective Plan under Tied Grants allocation in respect of ZP and Panchayat Samities each year prepared by respective DWSM with the approval of Collector shall be forwarded to the respective Zilla Parishad and Panchayat Samiti for uploading the status in the District Panchayat Development Plan (DPDP) as well as in Block Panchayat Development Plan (BPDP) . Due precaution shall be taken to check overlapping of project list and all payment of the Material Bills to be ensured to the valid GST/TIN registered vendor .

III. Entry Level Conditions for availing grants

- Since auditing is necessary to ascertain the transparency and accountability of public funds , the Commission have recommended for the online availability of both provisional accounts of the previous year and audited accounts of the year before previous as entry level condition to avail the grants.
- In the first and second year of the award period (2021-22 and 2022-23) ,States need to ensure that at least 25 percent of the rural local bodies have both their provisional accounts for the previous year and audited accounts for the year before the previous available online in the public domain in order to be eligible to avail the full grants in 2021-22 and 2022-23.
- From the third year (2023-24) onwards, States will receive total grants due to the rural local bodies having both provisional accounts of the previous year and audited accounts for the year before previous and making these available online.
- Provisional annual accounts of a particular year shall be available online in real time basis by 15 May of every subsequent year .
- The GPDP, BPDP and DPDP for both Tied and Untied grants prepared by the respective PRIs must be uploaded and approved in e-gramswaraj portal.
- Geo-tagging is mandatory for all projects before starting and after completion for claiming grants for subsequent years.

(C.) 15TH CENTRAL FINANCE COMMISSION GRANT OF UNTIED (40%) AND TIED (60%) FOR GRAM PANCHAYATS from 2021-22 to 2025-26.

Basing on the recommendation of the Commission, the distribution of funds allocation to the Gram Panchayats is made by following the SFC formula adopted in the State i.e. population category in 4 slabs for GPs as mentioned at para(A)- above

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15TH FC GRANTS TO GRAM PANCHAYATS FROM 2021-22 TO 2023-24*(amount in Rs.)*

Sl No.	Population Category of GP (2011 census)	2021-22		2022-23		2023-24	
		Untied Grant (40%)	Tied Grant (60%)	Untied Grant (40%)	Tied Grant (60%)	Untied Grant (40%)	Tied Grant (60%)
1	0- 5000	588198	882298	608990	913488	615688	923532
2	5001-7500	745052	1117578	771388	1157084	779870	1169806
3	7501-10000	901904	1352856	933800	1400682	944058	1416086
4	above 10,000	1058796	1588144	1096206	1644284	1108258	1662360

15TH FC GRANTS TO GRAM PANCHAYATS FROM 2024-25 TO 2025-26*(amount in Rs.)*

Sl No.	Population Category of GP (2011 census)	2024-25		2025-26	
		Untied Grant (40%)	Tied Grant (60%)	Untied Grant (40%)	Tied Grant (60%)
1	0- 5000	652340	978510	636128	954192
2	5001-7500	826298	1239446	805762	1208644
3	7501-10000	1000254	1500386	975402	1463102
4	above 10,000	1174226	1761320	1145050	1717550

UTILISATION OF FUND :

The Annual action plan GDP is the main platform out of which both Tied and Untied funds shall be utilized by the Gram Panchayats. 15th CFC Untied grant to Gram Panchayats is to be utilised for location specific needs except salary and other establishment expenses. The Tied fund allocated to the Gram Panchayats under 15th Finance Commission is to be utilized for the purpose of

- 50% of Tied grant in Sanitation and maintenance of ODF status and
- 50% of Tied grant in Supply of drinking Water, rain water harvesting and water recycling.

However, if any of the purposes has been saturated by any Institution, then the fund earmarked can be utilised for other purpose.

Hence, the untied and tied grants may be utilised for the following purposes.

UNTIED GRANT (40% of total 15th FC Grant) :

The untied fund allocated to the Gram Panchayat may be utilised for location specific felt needs except salary or other establishment expenditure, which may inter alia include the following on priority basis.

GP LEVEL WORKS:

- New Construction and Maintenance of Govt. Primary Schools (Grades up to V)
- New Construction and Maintenance of Govt. Upper Primary Schools (Grades up to VIII)

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- New Construction and Maintenance of Govt. aided Primary Schools (Grades up to V)
- New Construction and Maintenance of Govt. aided Upper Primary Schools (Grades up to VIII)
- Maintenance of AWC/Mini AWC
- Maintenance of Livestock Aid Centre
- Other community driven projects such as roads and culverts, improvement of rural haat, rural park, Play Grounds etc. and maintenance of other capital assets as per local need.

TIED GRANTS (60% of total 15th FC Grant) :

As per the recommendations of the Commission, the tied fund allocated to the Gram Panchayats is to be utilized for the purpose of (a) Sanitation and maintenance of ODF status/ Drainage/Footpath system and (b) Supply of drinking Water, rain water harvesting and water recycling.

As per recommendation, 50% of the tied grant is to be earmarked for each of the above purposes. However, if any of the purposes has been saturated by any Institution, then the fund earmarked can be utilised for the other purpose.

Utilisation of tied grants may inter-alia include payment of energy bills of PWS/ street lighting system in regular manner and monthly honorarium to the SEMs which is to be included in the GPDP under Tied fund. Piped Drinking water connection to every Primary school , AWC , Market places in Rural areas along with toilet/tap facilities in those institutions are to be ensured out of above Tied fund .

Innovative practices for community need in water conservation/ water recharge works and works in the field of solid and liquid waste management will be encouraged.

(D) 15TH FINANCE COMMISSION GRANTS (UNTIED AND TIED) FOR PANCHAYAT SAMITIS from 2021-22 to 2025-26 :

The Annual action plan BPDP is the main platform out of which both Tied and Untied funds shall be utilized by the Panchayat Samitis. The fund to be devolved to all Panchayat Samitis out of the 15th Central Finance Commission Award from 2021-22 to 2025-26 both in untied and tied sector and the intra tier distribution has been made considering G.P as a unit in a Panchayat Samiti and total amount **(Untied + tied)** allocation @40:60 is made as per followings to each Panchayat Samitis and funds to be transmitted to the approved 15th CFC Account through IFMS mode integrated with PFMS and e-gramswaraj.

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15TH FC GRANT ALLOCATION TO PANCHAYAT SAMITI FROM 2021-22 TO 2025-26

SI No.	Year	15th FC Untied Grant (40%)	15th FC Tied Grant (60%)
1	2021-22	No. of GPs in the PS x Rs.1,96,410/-	No. of GPs in the PS x Rs.2,94,616/-
2	2022-23	No. of GPs in the PS x Rs.2,03,352/-	No. of GPs in the PS x Rs.3,05,030/-
3	2023-24	No. of GPs in the PS x Rs.2,05,588/-	No. of GPs in the PS x Rs.3,08,384/-
4	2024-25	No. of GPs in the PS x Rs.2,17,828/-	No. of GPs in the PS x Rs.3,26,742/-
5	2025-26	No. of GPs in the PS x Rs.2,12,414/-	No. of GPs in the PS x Rs.3,18,622/-

The grant is to be utilized for the following purposes.

1. Untied Grant (40% of total 15th FC grant)

The untied grant allocated may be utilised for location specific felt needs except salary or other establishment expenditure, which may inter alia include the following on priority basis.

PANCHAYAT SAMITI LEVEL WORKS :-

- New Construction and Maintenance of Govt. High Schools (Grades upto X)
- New Construction and Maintenance of Govt. aided High Schools(Grades upto X)
- New Construction of AWC/Mini AWC
- New Construction of Livestock Aid Center
- New Construction and Maintenance of Veterinary Dispensary
- Other need based community driven projects as to be decided by the Panchayat Samiti such as roads and culverts with Drainage/Footpath, improvement of rural haat, rural park, Play Grounds etc. and maintenance of other capital assets as per local need.

The Panchayat Samiti is competent to prioritise the project list in respect of Untied funds available to PS and execute the works basing on the needs of the community observing the guidelines.

2. TIED GRANT (60% of total 15th FC grant)

As per recommendations of the Commission, the tied fund is to be utilized for the purpose of (a) Sanitation and maintenance of ODF status with Drainage system and (b) Supply of drinking Water, rain water harvesting and water recycling.

However, if any of the purposes has been saturated by any Institution, then the fund earmarked can be utilised for the other purpose.

Utilisation of Tied grant for Panchayat Samiti may inter-alia include the following:

Repair & maintainance of Tube wells for which upto 25% of the Tied grant of Panchayat Samiti shall be utilized for procurement of Spare parts of Tubewell @ Rs. 1000 per tubewell per year and operationalization of Mobile vans for full year in the Block .

The balance 75% of Tied Fund of PS shall be deposited with the DWSM Account of the District for taking up various drinking water projects as well as works relating to solid and liquid waste management and sanitation works as per following sectors (a) Operation and maintainance of PWS Projects including repair of PWS Projects etc. (b) Taking up the works of small Drinking water project to fill up the gap in State Saturation Plan. (c) Source augmentation rain water harvesting etc. (d) Solid waste management including storage ,transportation treatment etc of such waste (e) Gray water management and Faecal sludge management (f) Sanitation and maintenance of ODF status including drinking water supply to High Schools

(E). 15TH CENTRAL FINANCE COMMISSION GRANTS (UNTIED AND TIED) FOR ZILLA PARISHADS :

The Annual action plan DPDP is the main platform out of which both Tied and Untied funds shall be utilized by the Zilla Parishad. The fund to be devolved to all Zilla Parishads out of the 15th Finance Commission Award from 2021-22 to 2025-26 both in untied and tied sector and the intra tier distribution has been made considering numbers of Panchayat Samiti as a unit in the concerned Zilla Parishad and total amount **(40% Untied + 60% tied)** allocation is made as per followings to each Zilla Parishad and funds to be transmitted to the approved 15th CFC Account through IFMS mode integrated with PFMS and e-gramswaraj.

15TH FC GRANT TO ZILLA PARISHAD FROM 2021-22 TO 2025-26

Sl No.	Year	15th FC Untied Grant	15th FC Tied Grant
1	2021-22	No. of P.Ss in the ZP x Rs. 21,26,114/-	No. of P.Ss in the ZP x Rs.31,89,170/-
2	2022-23	No. of P.Ss in the ZP x Rs. 22,01,272/-	No. of P.Ss in the ZP x Rs.33,01,910/-
3	2023-24	No. of P.Ss in the ZP x Rs. 22,25,476/-	No. of P.Ss in the ZP x Rs.33,38,216/-
4	2024-25	No. of P.Ss in the ZP x Rs. 23,57,960/-	No. of P.Ss in the ZP x Rs.35,36,942/-
5	2025-26	No. of P.Ss in the ZP x Rs. 22,99,362/-	No. of P.Ss in the ZP x Rs.34,49,044/-

The grant is to be utilized out of Annual Plan DPDP prepared for the following purposes.

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