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## PANCHAYATI RAJ & DRINKING WATER DEPARTMENT

### NOTIFICATION

The 1st May, 2018

No. 8402-17-CFC-20-6117/PR & DW.— In supersession to this Department notification issued vide No.4940, dated the 14th March, 2018 and incorporating the suggestions communicated by Ministry of Panchayati Raj, Govt. of India vide **No.11011/4/2017-FD., dated the 20th March, 2018**, Government have been pleased to formulate the revised detailed procedure for disbursement of Performance Grant recommended by the 14th Finance Commission from 2017-18 to 2019-20 to the Grama Panchayats of the State for incentivizing better performance. The Grant shall be utilized by the Grama Panchayats to support and strengthen their primary functions to enable the GP to augment their resources for better governance.

#### INTRODUCTION :

The 14th Finance Commission have mandated to recommended measures needed to augment the consolidated funds of the State to supplement the resources of the Grama Panchayats based on the recommendation of the 4th State Finance Commission.

The constitutional mandate to strengthen the Grama Panchayats as institution of Local Self Government is not only limited to the functions for providing basic civic services but also to keep them within the ambit of accountability and responsibility to utilise public money placed with them.

#### OBJECTIVE OF THE GRANT :

The primary objective of the Performance Grant is to recognise and to incentivise the Grama Panchayats to adopt citizen centric governance and service deliveries so as to improve the quality of life in their respective areas and the Performance Grant equally aims at the following aspects which would enable and empower the Grama Panchayats in achieving the primary objective.

1. Sustained improvement in Grama Panchayats to raise own revenues.
2. Making available reliable data on Grama Panchayats including receipt and expenditure through audited accounts.

## 1. MANDATORY ELIGIBILITY CRITERIA TO ACCESS PERFORMANCE GRANT:

With view to inculcate a performance driven culture in Grama Panchayats, the 14th Finance Commission have recommended a set of simple and very basic conditions as follows:—

1. Grama Panchayats must submit audited accounts that related to year not earlier than two years preceding the year in which, the Grama Panchayats seeks to claim the performance grant. For example, to avail the grants in the financial year 2017-18, the Grama Panchayats have to prepare and submit audited accounts for the financial year 2015-16 and so on.

2. The Grama Panchayats must show an increase in its own revenue in Financial Year 2015-16 over the preceding FY 2014-15 as reflected in the audited accounts for claim of Performance Grants for 2017-18 and so on.

3. Preparation of Grama Panchayat Development Plan (GPDP) of the year of performance grant disbursement and uploading the same in Plan Plus portal.

4. Uploading of sector-wise expenditure of 14th Finance Commission grant of previous year of performance claim year in the Dashboard/ website of MoPR.

## 2. EVALUATION CRITERIA TO ACCESS PERFORMANCE GRANT:

The evaluation of those GPs who have satisfied all the above four criteria will be carried out as per the scoring system given below:

SI. No.	Criteria (Year to be taken as Financial Year)	Weightage
<b>i</b>	Increase in OSR quantum	<b>Score</b>
	> 0 up to 10 %	5
	> 10 up to 25 %	10
	> 25 up to 50 %	15
	> 50 %	20
<b>ii</b>	% of OSR quantum generated w.r.t. FFC Basic Grant amount of previous financial year to the PG claim year as per audited accounts	<b>Score</b>
	> 0 up to 10 %	15
	> 10 up to 20 %	20
	> 20 up to 30 %	30
	> 30 %	40
<b>iii</b>	Open Defecation Free (ODF) status of GP in the previous financial year to PG claim year	
	Yes	30
	No	0
<b>iv</b>	Immunization in GP in the previous financial year to PG claim year Full immunization (0-2 year age children)	
	Yes	10
	No	0
<b>v</b>	<b>Total Max. (i+ii+iii+iv) above</b>	<b>100</b>

### 3. DISTRIBUTION OF PERFORMANCE GRANT TO GP:

PG distribution to GPs based on their score shall be made as per details given in the following table:

Score	Eligible Quantum of PG
up to 49	50 % of Allocation
50 up to 60	70 % of Allocation
61 up to 70	80 % of Allocation
71 and above	100 % of Allocation

4. Any undistributed amount, after the above allocations as per Para. 3 including those of ineligible GPs, will be redistributed only amongst the GPs scoring 50 or above, proportionately on the basis of weighted average of the score obtained by the GP with respect to the overall weightage.

The key underpinnings of performance grant is to enhance the efficiency and effectiveness of the Grama Panchayats in the delivery of basic civic services and thus this funds are to be viewed as incentive to drive better service delivery. In this process the Grama Panchayats will be able to become self-sustaining and bring about an inclusiveness into their service delivery systems to pave the path for good governance.

Since the 14th Finance Commission recommended the State Government to formulate State specific guidelines to enable the Grama Panchayats for availing performance grant, all the aspects attended in creation and maintenance of capital assets, costless development, transparency and accountability etc., have been taken into consideration and a software "Panchayat Performance Grant Management System" has been devised which can feed the data from Panchayat level and upload in the website. These data can be screened at the Block level, Zilla level and State level to rank the Panchayats and their position at each level so that, the good performing panchayats can avail the performance grant earmarked by the 14th Finance Commission in each year i.e., from 2017-18 to 2019-20.

Out of 6798 Grama Panchayats in the State at present, those Grama Panchayats complying the four eligibility conditions recommended by the 14th Finance Commission and Ministry of Panchayati Raj (MoPR) will be eligible to receive the performance grant.

The trust based approach adopted by 14th Finance Commission, underlines the understanding that the local bodies will discharge their statutory functions with all due care. The preparation and audit of accounts will provide necessary transparency and accountability in this regard which will enable the Grama Panchayats to strengthen the confidence of the public on these institutions and the institution of local self Government can successfully fulfill the mandates entrusted by the Constitution.

The fund disbursement statement to eligible GPs will be annexed here with at *Annexure-I*

#### ORDER

Ordered that this notification be published in the Extraordinary issue of the *Odisha Gazette*.

By Order of the Governor

D.K. SINGH

Principal Secretary to Government

**SUMMARY INFORMATION FOR DRAWL OF FOURTEENTH FINANCE COMMISSION PERFORMANCE GRANT  
FOR THE YEAR 2017-18**

1. Financial Year of Claim: **2017-18**
2. Name of the State: **Odisha**
3. Number of duly constituted Grama Panchayat & due date of next election: **6798 Grama Panchayats & 2021**
4. Allocation of performance Grant to GPs for the FY 2017-18: **196.4 Crore**
5. Summary information of Evaluation for Disbursal of FFC Performance Grant for the financial year 2017-18.

**5.1 Eligibility on Mandatory Criteria:**

<b>Sl. No.</b>	<b>Evaluation Criteria's</b>	<b>Total No. of GPs duly Constituted</b>	<b>No. of GPs qualifying for the criteria</b>
1	Submission of Audited Accounts for the FY 2016-17 (relating to year not earlier than two years preceding the year of claim)	6211	4218
2	Shown increase in Own Source of Revenue (OSR) over the preceding year as reflected in audited accounts	6211	4478
3	Completion of GPDP preparation for FY 2017-18 (relating to the year of claim)	6211	5212
4	Display of sector-wise FFC expenditure in Dashboard/ website URL of MoPR for the Financial Year 2016-17 (relating to the year preceding the year of claim)	6211	2892

**5.1.1** Number of Grama Panchayats satisfying the four Mandatory criteria: **1515**

**5.2 Eligibility on Mandatory Criteria:**

<b>Sl. No.</b>	<b>Evaluation Criteria</b>	<b>No. of GPs qualifying for the criteria</b>
1	Increase in OSR Quantum (as per Sl. 2 table at 5.1) >0 up to 10% >10 up to 25% >25 up to 50% > 50%	341 426 337 411
2	% of OSR quantum generated w.r.t. FFC Basic Grant amount of previous financial year to the PG claim year as per audited accounts >0 up to 10% >10 up to 20% >20 up to 30% > 30%	1399 76 17 23
3	Open Defecation Free (ODF) status of GP in the previous financial year to PG claim year	710
4	Immunization in GP in the previous financial year to PG claim year Full immunization (0-2 year age children)	1180

**5.3 Disbursal of Performance Grants to Grama Panchayats:**

Sl. No.	GPs Category	Number of GPs	Amount of disbursal as per scheme		Total Amount
			Initial Allocation	Redistribution of undistributed amount	
1	Score upto 49	775	123355460.50	0.00	123355460.50
2	Score 50 to 60	192	43651310.50	366356835.05	410008145.55
3	Score 61 to 70	336	84679973.60	745261625.70	829941599.30
4	Score 71 and above	212	66296333.00	533768461.65	600694794.65
<b>Total</b>		<b>1515</b>	<b>318613077.60</b>	<b>1645386922.40</b>	<b>1964000000.00</b>