

CFE/SFC  
219/2016



GOVERNMENT OF ODISHA  
FINANCE DEPARTMENT  
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No 25035  
FIN-BUD6-SFC-0010/2015

Dated 15.09.2016

From  
Shri R. Balakrishnan, IAS  
Additional Chief Secretary to Government.

To  
The Commissioner-cum- Secretary to Government,  
Panchayati Raj Department.

Sub: Guidelines for release and utilization of Incentive Grant to the GPs under 4<sup>th</sup> State Finance Commission for the period from 2016-17 to 2019-2020.

Sir,  
The 4<sup>th</sup> State Finance Commission have recommended the year wise allocation of funds towards Grants-in-Aid for Incentive Grant in the table as indicated below.

(Figure in Crore)

Grants-in-Aid	2016-17	2017-18	2018-19	2019-20	2016-20
Incentive	18.84	18.84	18.84	18.84	75.36

**1. Objective of the Scheme:**

The main objective of the scheme is to incentivise the GPs for their exceptional performance in resource mobilization as well as closely linking expenditure to improve the quality of life in their respective areas and revenue raising decisions.

The purpose of SFC recommendation is to give thrust on resources generation which should be amplified and the incentive structure should convey that incentivization is to promote resource generation by own efforts. It is thought prudent to encourage competition in every Panchayat Samiti by rewarding the best two GPs amongst them every year during 2016-20.

**2. Eligibility Criteria to Access Incentive Grant:**

Revenue generation should be at least 20% more than the previous year's collection. The parameters captured in e-Dakshyata (enclosed) shall be used to rank the Panchayats and their position at each level based on different parameters.

4th State Finance Commission recommends an amount of Rs. 75.36 Crore during 2016-20 @ 3 Lakh per Panchayats (for two GPs in every Panchayat Samiti every year) be provided from the State Consolidated Fund. In the same direction,

