



21.06.2020

ଓଡ଼ିଶା ସରକାର

ପଞ୍ଚାୟତି ରାଜ ଓ ପାନୀୟ ଜଳ ବିଭାଗ

GOVERNMENT OF ODISHA
PANCHAYATI RAJ & DRINKING WATER
DEPARTMENT

ଓଡ଼ିଶା ଲକ୍ଷେବା ହାଉସ
ସଚିବାଳୟ ମାର୍ଗ, ଭୁବନେଶ୍ୱର - ୭୫୧୦୦୧

Odisha Loksewa Bhawan
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No. 9252 / Date 05.06.2020
PR-SFC-POLICY-0002-2020

From

Shri Deoranjana Kumar Singh, IAS
Principal Secretary to Government.

To

All Collectors
All Project Directors, DRDAs

Sub:- Guidelines on Utilization of Devolution of funds recommended by the 5th State Finance Commission to 3 Tier PRIs for the period from 2020 - 21 to 2025 - 26 (6 years).

Madam / Sir,

I am directed to say that, on the recommendations of the 5th State Finance Commission and the Action Taken Report (ATR) thereof laid before the Odisha Legislative Assembly, the distribution of devolution of funds to 3 tier PRIs has been allowed in the ratio of 60:30:10 in favour of the Gram Panchayat, Panchayat Samaiti and Zilla Parishad respectively to be utilised on community felt need based projects. These projects are to be included in the GPDP of the Gram Panchayat, Annual Action Plan of the Panchayat Samiti and Annual Action Plan of the Zilla Parishad for the particular year. For proper monitoring of the expenditure, the 5 PES Application must be used which is integrated with PRIASOFT, PFMS and IFMS.

**TOTAL DEVOLUTION OF FUNDS TRANSFER TO THE 3 TIER PRIs
FOR THE PERIOD 2020-26.**

(Rs. in crore)

PRIs	Total (Per Year)	Total Allocation (2020-21 to 2025-26)
Gram Panchayats	549.05	3294.30
Panchayat Samitis	274.53 (Tied 50% i.e. Rs.137.265 + Untied 50% i.e. Rs.137.265)	1647.18
Zilla Parishads	91.51	549.06
Grand Total	915.09	5490.54

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II. MODE OF RELEASE :

The funds under Devolution to Gram Panchayat, Panchayat Samiti and Zilla Parishad will be released directly to the approved SFC Accounts integrated in PRIASOFT with PFMS and IFMS in two tranches i.e. 1st instalment in the month of May / June and 2nd Instalment in the month of October / November during a Financial Year.

III. MODE OF TRANSFER OF DEVOLUTION OF FUNDS TO GRAM PANCHAYAT:

The Devolution of funds in respect of Gram Panchayat share is to be distributed basing on the size of population of the Gram Panchayat (as per Census-2011) which have been grouped into four categories.

The Commission recommends an additional amount of 25% to the Panchayats under the TSP areas during the award period which has been accepted by Government in the ATR.

The allocation of Devolution of Funds to GPs in Non-TSP areas and TSP areas with population slab is given as below.

**Allocation of Devolution of Funds to GPs in
General Area (Non-TSP) per year**

Population Category (as per Census,2011)	No. of G.Ps	Amount per G.P (In Rs.)	Total (In Rs.)
0 - 5000	2268	643,120	145,85,96,160
5001 - 7500	1864	814,080	151,74,45,120
7501 - 10000	555	986,000	54,72,30,000
Above 10000	46	1,15,72,600	5,32,33,960
	4733	Total (Gen.)	357,65,05,240



**Allocation of Devolution of Funds to GPs in
TSP Area per year**

Population Category (as per Census, 2011)	No. of G.Ps	Amount per G.P (In Rs.)	Total (In Rs.)
0 - 5000	1126	803900	90,51,91,400
5001 - 7500	713	1017600	72,55,48,800
7501 - 10000	204	1232500	25,14,30,000
Above 10000	22	1446570	3,18,24,560
	2065	Total (Spl.)	191,39,94,760

(Grand Total (Non-TSP 4733 GPs + TSP 2065 GPs) = Rs.549,05,00,000/-)

5TH SFC DEVOLUTION OF FUND TO GRAM PANCHAYAT :

The funds allocated to the Gram Panchayats under 5th SFC Devolution shall be prioritised and may be utilised for the following works among others as per local needs.

GP LEVEL WORKS:

1. Provision to address the availability of safe Drinking Water.
2. Contribution of GP share of Rs.10.00 lakh towards convergence funds of "BASUDHA", if not already deposited, during 4th and 14th Finance Commission period.
3. Payment of energy bills of PWS in a regular manner.
4. Payment of monthly honorarium to the SEMs.
5. Rain Water Harvesting Structures in the Government buildings like Gram Panchayat Offices, Primary Schools, LI Centres etc.
6. Water Harvesting Structure.
7. Sanitation.
8. Solid Waste Management.
9. Conversion of Electrical power to Solar power in the existing Projects.
10. New Construction of Govt. Primary School building (Grades up to V).
11. New Construction and Maintenance of Govt. Upper Primary Schools (Grades up to VIII).
12. New Construction of Govt. aided Primary Schools (Grades up to V).

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13. New Construction and Maintenance of Govt. aided Upper Primary Schools (Grades up to VIII).
14. Maintenance of Health Sub Centres (Rural).
15. Maintenance of AWC / Mini AWC.
16. Maintenance of Livestock Aid Centre.
17. Other community driven projects such as roads and culverts, rural park, Play Grounds etc. and maintenance of other capital assets as per local need for which there is no specific grants.

IV. MODE OF TRANSFER OF DEVOLUTION OF FUNDS TO P.S. LEVEL:

The fund to be devolved to all Panchayat Samities during the period from 2020-21 to 2025-26 comes to Rs.1647.18 Crore @ Rs. 274.53 Crore per annum. The distribution has been made to Panchayat Samities considering G.P as a unit (@ Rs.4,03,839 per GP x Nos. of GP in a P.S).

The Devolution fund to Panchayat Samitis shall be transmitted to the approved SFC Account integrated in PRIASOFT with PFMS and IFMS of the P.S considering No. of GPs in the P.S which will also be utilized on the basis of formula as 50% Devolution Tied fund (drinking water, sanitation and solid waste management) and 50 % Devolution untied fund (felt need based community projects). The Panchayat Samiti is competent to prioritise the project lists in respect of Untied funds available to the Panchayat Samiti and execute the works basing on the needs of the community observing the guidelines.

5TH SFC DEVOLUTION (TIED) FUND (50%) FOR PANCHAYAT SAMITI :

As regards utilization of 50 % Tied Devolution funds of the Panchayat Samiti, the following works may be taken up:

1. Drinking Water Projects in convergence with other schematic funds.
2. Procurement of Spare parts of Tubewell @ Rs. 1000.00 per tubewell per year considering number of tubewells in the Block.
3. Arrangement of Mobile vans with procedure to adopt operation and maintenance of tubewells as well as minor repair of PWS.



13. New Construction and Maintenance of Govt. aided Upper Primary Schools (Grades up to VIII).
14. Maintenance of Health Sub Centres (Rural).
15. Maintenance of AWC / Mini AWC.
16. Maintenance of Livestock Aid Centre.
17. Other community driven projects such as roads and culverts, rural park, Play Grounds etc. and maintenance of other capital assets as per local need for which there is no specific grants.

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The Devolution fund to Panchayat Samitis shall be transmitted to the approved SFC Account integrated in PRIASOFT with PFMS and IFMS of the P.S considering No. of GPs in the P.S which will also be utilized on the basis of formula as 50% Devolution Tied fund (drinking water, sanitation and solid waste management) and 50 % Devolution untied fund (felt need based community projects). The Panchayat Samiti is competent to prioritise the project lists in respect of Untied funds available to the Panchayat Samiti and execute the works basing on the needs of the community observing the guidelines.

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1. Drinking Water Projects in convergence with other schematic funds.
2. Procurement of Spare parts of Tubewell @ Rs. 1000.00 per tubewell per year considering number of tubewells in the Block.
3. Arrangement of Mobile vans with procedure to adopt operation and maintenance of tubewells as well as minor repair of PWS.

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4. Rain Water Harvesting Structure In the Panchayat Samiti and also in the CHC and PHC.
5. Sanitation and Solid waste Management.

The Panchayat Samiti is expected to utilise 25% of the Tied Devolution for the purpose of procurement of spare parts, arrangement of Mobile Van and operation and maintenance with the Mobile Team and rest 75% needs to be deposited with DWSSM account for incurring expenditure for achieving drinking water saturation plan as well as taking up the other sanitation measures in the public institutions like CHC / PHC etc.

Accordingly, the PS level Action Plan for SFC under Tied fund as well as Untied fund shall be prepared beforehand for proper monitoring and supervision of the expenditure.

5TH SFC DEVOLUTION (UNTIED) FUND (50%) FOR PANCHAYAT SAMITI :

Out of 50% Devolution (Untied fund) made available to the Panchayat Samiti, the following works may be taken up as per local needs on priority basis.

PANCHAYAT SAMITI LEVEL WORKS :

1. New Construction and Maintenance of Govt. High Schools (Grades up to X).
2. New Construction and Maintenance of Govt. aided High Schools (Grades up to X).
3. New Construction of Health Sub Centres (Rural).
4. New Construction and Maintenance of PHC (Rural).
5. Maintenance of CHC (Rural).
6. New Construction of AWC / Mini AWC.
7. New Construction of Livestock Aid Centre.
8. New Construction and Maintenance of Veterinary Dispensary.
9. Other need based community driven projects as to be decided by the Panchayat Samiti.

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V. MODE OF TRANSFER OF DEVOLUTION OF FUNDS AT Z.P. LEVEL:

The fund to be devolved to all Zilla Parishads comes to Rs. 549.06 crore for the period from 2020-21 to 2025-26 @ Rs.91.51 Cr. per annum. The distribution has been made to Zilla Parishads considering number of Panchayat Samities in the districts (i.e. @ Rs.29,14,331.00 per Panchayat Samiti x nos. of Panchayat Samiti in a Zilla Parishad). The allocation under Devolution of Funds on SFC to Zilla Parishad shall be transmitted to the approved SFC Account integrated in PRIASOFT with PFMS and IFMS.

5TH SFC DEVOLUTION TO THE ZILLA PARISHAD :

The funds under this head provided to the Zilla Parishad may be utilized as per local needs prioritising the works as detailed below:

1. For achieving the drinking water saturation plan of the district, new PWS/ augmentation of existing PWS (FHTC to rural household) may be taken up in convergence with other State Govt. Schemes like BASUDHA/ RIDF/ SFC, to meet O&M Cost of PWS in operation in District etc. Work may also be taken up with depositing money in the DWSM Account for making proper convergence planning.
2. Payment of Energy bill of Mega PWS operated in the District,
3. Sanitation and water supply works to the Govt. institutions transferred to Panchayati Raj & Drinking Water Department like District Headquarter Hospital, Sub-Divisional Hospitals, CHC / PHC, District Veterinary Hospital, +2 College etc.
4. Solid waste and liquid waste management in different Panchayat Samities.
5. New Construction and Maintenance of Govt. Higher Secondary Schools (Grades up to XII)
6. Repair and maintenance of Sub-Divisional Hospital.
7. Repair and maintenance of District Headquarter Hospital.
8. Other need based community driven projects as decided by the Zilla Parishad.

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VI. UTILIZATION AND IMPLEMENTATIONS OF DEVOLUTION OF FUNDS :

- The Deputy Secretary-cum-DDO, Panchayati Raj & Drinking Water Department will be the DDO in respect of devolution of funds. The DDO will transfer the funds directly to the approved 5th SFC Bank Account integrated in PRIASOFT with PFMS and IFMS of the concerned Gram Panchayat, Panchayat Samiti and Zilla Parishad respectively by using bulk disbursement system of IFMS.
- Basing on the above aspects, the guidelines as formulated for utilisation of 5th SFC Grants for the Rural Local bodies may be utilized by the Gram Panchayat (GPDP), Panchayat Samiti and Zilla Parishad by formulating the Action Plan and following due procedure as operated in PES Application.
- The accrued interest on deposit of Devolution of funds shall be treated as part of Devolution of Fund and shall be utilized for the same purpose by Panchayats at appropriate level.
- The project approved by the concerned Panchayats at Appropriate Level (PAL) in their meeting is to be taken up under direct supervision of the Gram Panchayat, Panchayat Samiti and Zilla Parishad (as the case may be) and to be reviewed from time to time till the completion of process is over in their General Body meeting. Besides, the Gram Panchayat is to ensure that all basic services to the citizens like drinking water, sanitation, street light, solid waste management etc. are properly taken care of.
- Provisions as laid down in OGP Rules/ Panchayat Samiti Accounting Procedure Rules/ OPWD Code etc. and the basic guidelines issued by Govt. from time to time will be followed strictly while execution of works.
- The same Saving Bank Account as of 4th SFC integrated in PRIASOFT with PFMS and IFMS is to be maintained at Gram Panchayat, Panchayat Samiti and Zilla Parishad level in a scheduled Commercial Bank authorized to handle Government business by the Government for the grant released under the award.

- No utilization certificate is required to be submitted towards utilization of devolution of funds. Transfer of fund to appropriate PRIs as per guidelines may be treated as the utilization and the progress of work and utilization of funds shall be reviewed on quarterly basis by the District level Monitoring Committee.
- However, Utilization of funds will be audited by Local Fund Audit Organization of the State as well as Annual Technical Inspection shall be made by C & AG of India.
- Maintenance of Inventory of assets has been made a mandatory condition for release of all kinds of grant in favour of Local Bodies by the Commission. The Inventory is to be maintained in the prescribed format and shall be uploaded online in National Asset Directory (NAD) on real time basis.
- Geo-tagging of completed projects is mandatory in M-ACTIONSOF application.
- The GPEO in charge of the Block will ensure 100% supervision and monitoring of the works undertaken in the Gram Panchayats and submit a report to this effect to the DPO concerned with a copy to the BDO.
- Overall supervision of works in respect of Gram Panchayat will be made by Executive Officer, Zilla Parishad and BDO of the concerned Panchayat Samiti.
- Similarly, overall supervision of works in respect of Panchayat Samiti and Zilla Parishad will be made by the Executive Officer, Zilla Parishad and Chief Executive Officer, Zilla Parishad respectively.
- The Standing Committee at appropriate level for the works may be appraised and supervision is to be made during execution and after completion of the works.



- There shall be a District level Monitoring Committee in each district under the Chairmanship of Collector & DM with PD, DRDA and Representatives of the Line Department as Member and PD, DRDA as Member Convenor to review the demand and collection of own sources of revenue, progress of expenditure, submission of utilisation position etc. on quarterly basis.
- Photographs of the project before commencement, during execution and after completion should be taken and kept in the Case Record before release of final payment to the executant.

INADMISSIBLE PROJECTS :

- The negative aspects like Individual benefit to any organization or person, any religious activity or structure, Local mela and fairs, occasional celebration of religious functions, any charitable works, feast and festivities , donation to any organization, purchase of vehicle, payment of Salary / remuneration etc. are strictly prohibited as recommended by 5th State Finance Commission.
- Where there is provision of fund under any specific grant recommended by the 5th State Finance Commission, the devolution fund shall not be utilised for the similar projects.
- Projects taken up under devolution should not overlap with any existing State or Central Scheme. In such cases, where there is provision of fund under any State or Central Schemes, then equivalent amount as recommended by the Commission shall be deducted from the State Scheme or it may be treated as contribution / share of State Government / Local Bodies in case of Central Scheme.

SOCIAL AUDIT:

Social Audit and Vigilance shall be encouraged at grassroots level. It shall be done by convening Palli Sabha. Transparency, accountability and efficiency in execution shall be strictly followed.

This Guideline supersedes all other instructions communicated earlier in this regard.



However, projects taken up under the previous guidelines will continue to be governed by the said guidelines. Panchayati Raj & Drinking Water Department, Government of Odisha will be competent to issue any clarification regarding implementation of State Finance Commission Grants with due approval of High Level Monitoring Committee constituted for the purpose and concurrence of Finance Department.

All concerned may accordingly be instructed to adhere to the aforesaid guidelines.

Yours faithfully


05/06/2020
Principal Secretary

Copy communicated for information and necessary action to :

1. PS to Hon'ble Minister, PR & DW for kind information of Hon'ble Minister
2. Joint Secretary, Finance Department (SFC)
3. FA-cum-Spl. Secretary, PR & DW Deptt.
4. EIC, RWS&S, Odisha, Bhubaneswar
5. All Branch Officers of PR & DW Deptt.
6. Jt. Director, SIRD & PR.
7. All BDOs / All DPOs. to widely circulate the guidelines among the Sarpanches.