

Minutes of the High Level Monitoring Committee ( HLMC) meeting held on 17.06.2020 in conference hall of Chief Secretary, Assam 3<sup>rd</sup> Floor, Block C, Janata Bhawan regarding utilization of 14<sup>th</sup> and 15<sup>th</sup> FC award

1. The list of officers present in the meeting is appended at *Annexure-I*.
2. The meeting was presided over by the Chairman, HLMC & Chief Secretary, Assam. The Principal Secretary, Finance Department explained the purpose of the meeting in brief. Thereafter with due permission of the Chair, the Director, Finance (Economic Affairs) Department gave a power point presentation and indicated the present status of release of funds from Govt. of India, Govt. of Assam and utilization of funds by the Local Bodies under award of the 14<sup>th</sup> FC. He also indicated about the guidelines issued by the Ministry of Finance (MoF), Govt. of India (GoI) and recommendation made by them for the current financial year i.e. 2020-21 under 15<sup>th</sup> FC Award.

**3. 14<sup>th</sup> FINANCE COMMISSION GRANT:**

The 14<sup>th</sup> Finance Commission recommended Grant-in Aid for a total amount of Rs.6387.11 crore to Assam Local Bodies for utilization during 2015-20. Against this recommendations the Ministry of Finance, Govt. of India has so far released Rs.5782.70 crore to Assam. Against this released amount Finance Department already released an amount of Rs.5472.10 crore leaving a balance of Rs.310.60 crore under 15<sup>th</sup> Finance Commission Award.

It may be stated that Govt. of India released Rs.310.60 crore for the ULBs at the fag end of the year 2019-20 and due to time constraints this amount could not be released to ULBs during 2019-20. However, the HLMC asked the concerned line departments for initiating following actions:

- UD Department is requested to move ceiling proposal for the balance amount of Rs.232.92 crore (1st and 2<sup>nd</sup> installment of General Basic Grant for 2019-20) under 14<sup>th</sup> Finance Commission Award.
- It may be pointed out that as per Ministry of Finance, Govt. of India guidelines, fund should be transferred only to the elected local bodies. But there are no elected local bodies except ULBs under KAAC.
- The line departments were also requested for submitting UCs as per GFR-19(A) format for onward transmission to the AG, Assam.
- All concerned line departments were requested for submission of the status report of implementation of the schemes under 14<sup>th</sup> FC award.
- As UDD informed that the department made no budget provision against 14<sup>th</sup> FC during current financial year, the department was suggested to utilize the amount provided against the award of 6<sup>th</sup> ASFC, by means of re-appropriation.
- UDD was further suggested to utilize to the extent of budget provision available and move SD proposal for the next amount in due course of time.

**4. 15<sup>th</sup> FINANCE COMMISSION GRANT:**

The 15<sup>th</sup> Finance Commission has submitted an Interim Report to Govt. of India for 2020-21 in November, 2019. The Commission has recommended Grant-in-aid for an amount of **Rs.2376.00 crore** for the Local Bodies of Assam for 2020-21. However, unlike 14<sup>th</sup> FC, the 15<sup>th</sup> FC has recommended this grant for the local bodies of VI<sup>th</sup> scheduled areas also.

Meanwhile, the Ministry of Finance, Govt. of India has circulated a guideline for utilization of 15<sup>th</sup> FC Grant and has indicated the followings:

- The states should work out inter-se-share of all tiers of Panchayats as per the directions given in para 5.3(ii) &(v) and intra tier distribution among the relevant entities as per directions given in para 5.3(vi) of the Interim Report.
- Para 5.3(ii) of the Report has indicated that inter se distribution of grants for local bodies may be based on population and area in the ratio of 90:10.

- Para 5.3 (v) of the report has also indicated that the inter se distribution among the Panchayati Raj tiers by the States should be done on the basis of the accepted recommendations of the latest State Finance Commissions (SFC) and in conformity with the following bands :-

70% to 85% for GPs,  
10% to 25% for APs and  
5% to 15% for ZPs.

- Para 5.3 (vii) of the report has recommended that the State should make allotment of grants for both Fifth and Sixth scheduled areas falling within the state based on population and area in the ratio of 90:10. The concerned State should allot these grants for 2020-21 in April, 2020 and intimate the same to the Ministry of Home and the Ministry of Finance.
- Accordingly, Finance Department with due approval of Hon'ble Finance Minister has already made this allocation and communicated to the Ministry of Home and the Ministry of Finance as per the following statement:

(Rs. in Crore)

Items	Recom. for 2020-21	Allocation (2020- 21)			
		General Areas	BTC	KAAC	DHAC
Rural Local Bodies (PRIs) incl. VI Schedule Areas	1604	1337.12	178.64	68.22	20.02
Urban Local Bodies (ULBs) incl. VI Schedule Areas	772	690.08	33.76	32.40	15.76
<b>Grand Total</b>	<b>2376</b>	<b>2027.20</b>	<b>212.40</b>	<b>100.62</b>	<b>35.78</b>

Meanwhile, Ministry of Finance has released the 1st installment amounting to **Rs 193.00 crore** to the ULBs during 2020-21 which has already been released by Finance Department, Govt. of Assam.

Other salient points of the Guidelines are as follows:

(a) Grants for PRIs:-

- Recommended grant for PRIs has been divided into two categories i.e. Basic Grant (50% of the allocation) and Tied Grant (50% of the allocation).
- The Basic Grants are untied and can be used by the Local Bodies for location-specific felt needs, except for salary or other establishment expenditure.
- The tied grants can be used for the basic services of (a) sanitation and maintenance of Open-Defecation Free (ODF) status and (b) supply of drinking water, rain water harvesting and water recycling. The Local Bodies shall, as far as possible, earmark one half of these tied grants each to these two critical services. However, if any Local Body has fully saturated the needs of one category, it can utilise the funds for the other category.

(b) Grants for ULBs:-

- Recommended grant for ULBs has also been divided into two categories i.e. Basic Grant (50% of the allocation) and Tied Grant (50% of the allocation).
- Basic Grants can be utilized for location specific needs except for salary and establishment expenses;
- Tied Grants are to be utilized for (a) drinking water (including rainwater harvesting and recycling) and (b) solid waste management (as per details at Annex 5.6 of FC-XV Report).
- The Urban Local Bodies shall earmark one half of the tied grants each to these two critical services and this amount will be in addition to the funds received from any other source / schemes from Union / State. However, if any Local Body has fully saturated the needs of one category, it can utilize the funds for the other category.

(c) Release of Grants by Ministry of Finance, Govt. of India:-

- Basic Grants for PRIs will be released in two installments by the Ministry of Finance, Department of Expenditure (Finance Commission Division) after receipt of Grant Transfer Certificate in the prescribed format (Annexure-II) and recommendation from the Ministry of Panchayati Raj (MoPR), Govt. of India.

- Tied Grants for PRIs will also be released in two installments by the Ministry of Finance, Department of Expenditure (Finance Commission Division) after receipt of recommendation from the Ministry of Panchayati Raj, Govt. of India.
- Department of Drinking Water & Sanitation, Ministry of Jal Shakti, Govt. of India and MoPR will assess the following before recommending for release of grant :
  - a) Status & maintenance of Open Defecation Free Local Body;
  - b) Supply of drinking water, rain water harvesting and water recycling;
  - c) Uploading of GPDP and details about utilization 15<sup>th</sup> F.C. funds on the website.
  - d) Any other condition which Ministry of Jal Shakti may deem fit in connection with the stated objectives of the tied grant.
- Both Basic Grant and Tied Grants for ULBs will also be released in two equal installments.
- Subsequent installment(s) of tied grants will be released on the recommendations of the MoHUA based on the assessment about achievement of specified targets.

**(d) Mode of Release of fund to PRIs & ULBs :**

- As per Ministry of Finance guidelines the State Governments (State Finance Department) should transfer each installment of the RLBs grants received from the Department of Expenditure to all the concerned entities [GP/AP/ZP & Excluded Areas, if any] without any deduction through their nodal Department within ten working days of receipt from the Union Government.
- Any delay beyond ten working days will require the State Governments to release the same with interest as per the effective rate of interest on market borrowings / State Development Loans (SDLs) for the previous year.

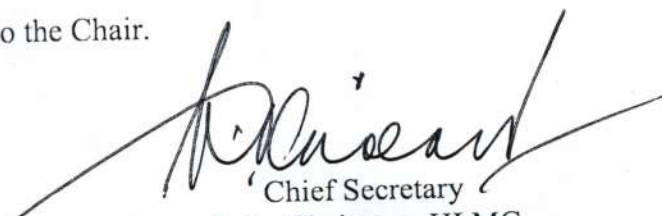
**5. After detailed deliberations, the HLMC meeting decided the following points for compliance by all concerned:-**

- i) Like 14<sup>th</sup> FC Award Finance Department may notify the HLMC under the Chair of Chief Secretary for monitoring utilization of the 15<sup>th</sup> FC for Local Bodies.
- ii) The concerned line Departments / Principal Secretaries of the Autonomous Councils may prepare action plan for tied and untied grant for 2020-21 and submit the same to Finance (EA) Department along with concept note relevant supporting details for approval of the HLMC.
- iii) All concerned line departments may circulate the detail allocation of both tied and untied grant to all Local Self Govt. and Councils.
- iv) The HLMC decided that Finance Department shall write to Govt. of India requesting to consider for allowing the concerned Administrative Department to issue sanction to transfer Grant-in-Aid to the Local Bodies under the 15<sup>th</sup> FC Award for smooth monitoring of utilization.
- v) As per Ministry of Finance Guidelines, 15<sup>th</sup> FC released Grant is to be transferred to Local Bodies from State Finance Department within 10 days time. However, the HLMC decided / allowed concerned line departments and Finance Department to issue sanction for General Areas, Local Bodies and VIth Schedules Areas Local Bodies respectively as per existing procedure against Govt. of India released amount till obtaining relaxation from Ministry of Finance, Govt. of India.
- vi) The 6<sup>th</sup> ASFC has recommended inter-se distribution between Autonomous Councils and Village Councils at the ratio of 20:80 on the basis of their respective population. Similarly, 15<sup>th</sup> FC Grant in respect of the Rural Local Body may also be distributed between Autonomous Councils and Village Councils at the ratio of 20:80. The concerned line department may also notify VCDC / VDC.
- vii) All line departments were requested for ensuring strict compliance of the Govt. of India guidelines by the Local Bodies.



- viii) The HLMC also decided to cancel all schemes already approved / sanctioned but execution not yet started under 5<sup>th</sup> ASFC Award since the tenure of the 5<sup>th</sup> ASFC is already expired and for the present situation arising for pandemic COVID - 19.
- ix) The concerned line departments/ Principal Secretaries of the Autonomous Councils shall ensure submission of Grant Transfer Certificate as per Ministry of Finance guideline duly countersigned by Senior Most Secretary of the concerned line departments to Finance Department for onward submission of the same to Government of India to MoPR / MoHUA with a copy to the Department of Expenditure, Ministry of Finance for their needful action.
- x) The concerned line departments / All Principal Secretaries of Autonomous Councils shall also ensure submission of UCs as per GFR-19(A) format duly countersigned by Senior Most Secretary of the concerned line departments to Finance Department with a copy to the AG, Assam for needful action from their end for onwards submission to the Ministry of Finance, Govt. of India.
- xi) The concerned line departments / Councils shall also submit Inspection reports, progress report & completion certificate with photographs as evidence of physical progress of the works so as to furnish the same to Ministry of Finance, Govt. of India.
- xii) The concerned line departments / Autonomous Councils may ensure introducing Standard Operating Procedure and strict compliance of the guidelines of Ministry of Finance, Govt. of India as well as to geo-index and geo-tag the infrastructures created under grant-in-aid.
- xiii) The concerned line departments / Councils should take proactive measures for proper implementation of the approved schemes and complete the same within stipulated tenure.
- xiv) The concerned line departments / Councils may ensure compliance of CVC guidelines and calling of NIT for fixation of rate as per AFR & relevant Rules & Procedure etc.
- xv) The concerned line departments / Councils concerned shall themselves take necessary budgetary support, Administrative Approval, Financial Sanction and Technical Sanction for each approved project against the allocation as per government procedure for release of fund.
- xvi) In no case expenditure should exceed over the sanctioned amount.
- xvii) All proviso of AFRBM Act, 2005 and amended thereafter be strictly compiled with by the departments.
- xviii) The State Government would ensure "Third Party Monitoring" for the projects sanctioned under the Grant.
- xix) On completion of the projects, the Local Bodies shall invariably furnish the Completion Certificates to Finance Department through concerned administrative department for onward transmission to Ministry of Finance, Government of India.
- xx) The concerned line departments were also requested to ensure furnishing the Non Duplicacy Certificates along with the proposal.
- xxi) The Director, Financial Inspection will be entrusted for conducting inspections for physical verification of implementation of the schemes under the award of the 14<sup>th</sup> FC & 15<sup>th</sup> FC.

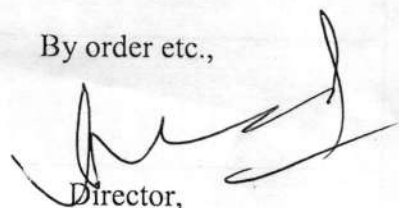
The meeting ended with vote of thanks to the Chair.

  
Chief Secretary  
& the Chairman, HLMC

Copy to:

1. P.S to the Addl. Chief Secretary to the Govt. of Assam, Finance Department, Member, HLMC for favour of information of the Addl. Chief Secretary, Finance Department.
2. P.S to the Principal Secretary to the Govt. of Assam, Finance Department, for favour of information of the Principal Secretary, Finance Department.
3. P.S to the Principal Secretary/Commissioner & Secretary to the Govt. of Assam, P&RD Deptt., Member, HLMC for favour of information of the Principal Secretary/ Commissioner & Secretary, P&RD Department.
4. P.S to the Principal Secretary/ Commissioner & Secretary to the Govt. of Assam, UD/GD Department, Member, HLMC for favour of information of the Principal Secretary/ Commissioner & Secretary, UD/GD Department.
5. P.S to the Commissioner & Secretary / Secretary to the Govt. of Assam, WPT&BC / Hill Areas Department for favour of information of the Commissioner & Secretary / Secretary, WPT&BC / Hill Areas Department.
6. The Director, Department of Expenditure (FCD), Ministry of Finance, Govt. of India, 11<sup>th</sup> Block, Lodhi Road, CGO Complex, New Delhi-110003 for information.
7. The Joint Director, Ministry of Urban Development (LSG Division), Govt. of India, 202, C Wing, Nirman Bhawan, New Delhi-110011 for information.
8. The Commissioner, P&RD, Juripar, Panzabari, Member, HLMC for favour of information.
9. The Commissioner, GMC, Panbazar, Member, HLMC for favour of information.
10. The Director, MAD, Ganeshguri, Member, HLMC for favour of information.
11. The Director, Audit (Local Fund), Kar Bhawan, Ganeshguri, Member, HLMC for favour of information.
12. The Director, Financial Inspection, Assam, 6<sup>th</sup> Floor, Kar Bhawan, Ganeshguri, Dispur, Guwahati – 06.
13. The Secretary to the Govt. of Assam, PHE Department for information and necessary action.
14. The Chief Engineer, PHE, Hengrabari, GHY-36 for information and necessary action.
15. The Managing Director, Assam Water Supply & Sewerage Board, Ganeshguri, Guwahati – 06 for favour of information.
16. All Deputy Commissioner/ SDO(C) ..... for favour of information.
17. All Chairpersons/Executive Officers of MBs/TCs..... for favour of information.
18. All CEO of ZPs..... for favour of information.
19. The Principal Secretary, BTC, Kokrajhar / KAAC, Diphu / DHAC, Haflong for favour of information.
20. The Sr. Accounts Officer, CA-3, Maidamgaon, Beltola, Ghy-24 for information.
- ✓ 21. E-governance unit, Finance Department for uploading in the department's website.

By order etc.,



Director,  
Finance (Economic Affairs) Department  
& Member Convener, HLMC



Meeting of the High Level Monitoring Committee (HLMC) on 17/06/2020 at  
03.00 PM at Conference Hall of Chief Secretary, Assam, 3rd Floor, Block-C,  
Assam Secretariat

Sl. No.	Name	Designation	Signature
1	Kumar Sanjay Krishna, IAS	Chief Secretary, Assam	
2	M. SINGH	Adml. CS	
3	N. Vema	Ps. Secy	
4	DR J B EKHA	Principal Secy, P&RD	
5	R. Moehahari	Secretary USD	
6	B. Pegu	Secy, WPTA BC	
7	Hemen Das	Commissioner, P&RD Assam	
8	D. C. Das	Secretary, HAD.	 17/6/2020
9	M. L. SUREKA	Director Municipal Admn.	
10	N. P. Das	Secy PHED	
11	Sibongib Sankha	Adl. C.E (PHE)/Budget	 17/06
12	Sanni K Lento	PS Finance Deptt	
13			
14			
15			
16			