



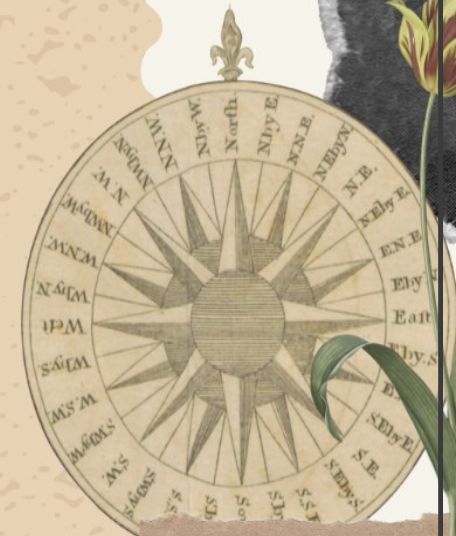
## Key Recommendation

on

# 16<sup>th</sup> Central Finance Commission 6<sup>th</sup> State Finance Commission

## An Initiative for changing Rural Lives

### PR&DW Department, Govt. of Odisha



# Performance under XV FC – Recap

**XV Finance Commission**

**₹ 11,058 Crore**

**XV FC Interim Fund Allocation**

**(2020-21)**

**₹ 2,258 Crores**

**Total XV FC Fund Allocation**

**(2021-22 to 2025-26)**

**₹ 8,800 Crores**



**99.9% of  
Total Funds  
released  
(2020- 2026)**

Particulars	15 <sup>th</sup> FC (2020-21)	15 <sup>th</sup> FC (2021-22 to 2025- 26)	Total 15 <sup>th</sup> FC (2020-21 to 2025- 26)
Allocation (₹ Crores)	2258	8800	11058
Release (₹ Crores)	2258	8796	11054

# Reform Agenda by XV Finance Commission

**Critical Reform Agenda –**  
Availability of accounts online,  
both before and after audit of  
every local bodies

**Accounts to be generated online by  
each Rural Local Body**  
(i.e. PRIs, Fifth & Sixth Schedule Areas)

## Action Taken by MoPR

- Development of eGramSwaraj (Accounting module)
- eGS-PFMS Integration for online payments by Panchayats / TLBs

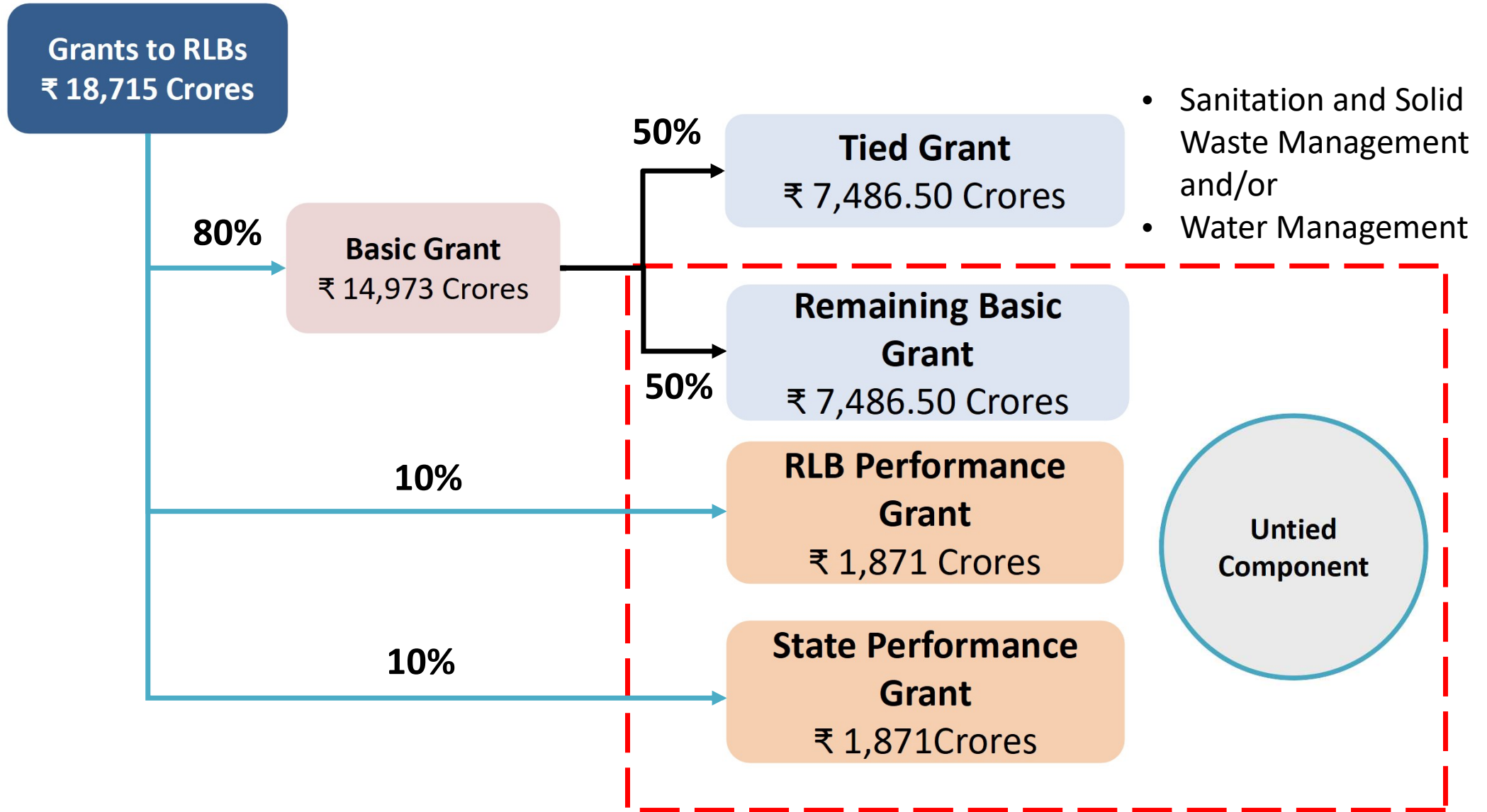
**Availability of audited accounts  
Online**

## Action Taken by MoPR

- AuditOnline rolled out for carrying out online audit of accounts

Reform Agenda also being continued under 16<sup>th</sup> Finance Commission as Entry Level Conditions

# Overview of RLB grants



# Tentative Fund Allocation of 16<sup>th</sup> CFC (₹ in Rupees)

## 16<sup>th</sup> FC UNTIED GRANT/TIED GRANT TO GRAM PANCHAYAT FOR FY 2026-27

Sl No.	Population Category	No of GPs	Amount per GP	TOTAL
1	0- 5000	3372	962630	3245988360
2	5001-7500	2555	1155154	2951418470
3	7501-10000	736	1241190	913515840
4	above 10,000	70	1443960	101077200
<b>Total</b>		<b>6733</b>		<b>7211999870</b>

## 16<sup>th</sup> FC UNTIED GRANT/TIED GRANT TO BLOCK FOR FY 2026-27

Sl No.	Population Category	No of GPs	Amount per GP	TOTAL
<b>Block allocation formula</b>	535571.0679	535571.0679	267785.5339	267785.5339
	Rs. 535571 X No. of GPs in Block	Rs. 535571 X No. of GPs in Block	Rs. 267785 X No. of GPs in Block	Rs. 267785 X No. of GPs in Block

## 16<sup>th</sup> FC UNTIED GRANT/TIED GRANT TO ZILLA PARISHAD FOR FY 2026-27

Sl No.	Population Category	No of GPs	Amount per GP	TOTAL
<b>ZP allocation Formula</b>	3828025.478	3828025.478	1914012.739	1914012.739
	Rs. 3828025 X No. of Blocks in ZP	Rs. 3828025 X No. of Blocks in ZP	Rs. 1914012 X No. of Blocks in ZP	Rs. 1914012 X No. of Blocks in ZP

# Eligibility conditions for Grants

## Entry-Level Conditions



**Duly constituted** Rural Local Bodies (Para 10.92)



**Provisional accounts** for previous year publicly available (T-1) (Para 10.93)



**Audited accounts** for year before previous publicly available (T-2) (Para 10.93)



Formation of **State Finance Commission** (SFC) – ATR to be laid **within 6 months of submission** of SFC Report (Para 10.94)

## Local Body Performance Grant Conditions

**Gram Panchayats** to show increase in OSR in year T. Minimum of (subject to min ₹ 1200/HH/annum):

- 2.5% per annual compounded growth over OSR of 2025-26, or
  - 1.025 times OSR of T-2. whichever is lower
- Applicable from 3<sup>rd</sup> year (Para 10.97)

### Block Panchayats

- 75% of GPs meet OSR condition. Applicable from 3<sup>rd</sup> year (Para 10.98)

**District Panchayats** Grant eligibility in year T linked to achieving in year T-1 either 1.025× OSR of year T-2 or 2.5% p.a. compounded growth over OSR (2025-26), whichever is lower. (Para 10.98)

## State Performance Grant Component (Para 10.100)

Release of State performance component contingent **on State transferring from its own resources  $\geq$  20% of Basic FC** grants recommended for given year. Applicable from 2<sup>nd</sup> year onwards

## Inclusion of Thematic Activities of JJM under Finance Commission Tied-Grant

Preventive Maintenance	Consumables	Human Resource	Energy Charges/Solar	Water Connection	IEC/Awareness	Administrative Expenses
<ul style="list-style-type: none"> <li>• Protection of drinking water source</li> <li>• Arrangement for water availability if current source become defunct/ insufficient</li> <li>• Installation of chlorine doser through (venturi system etc.)</li> <li>• Minor repair of pumps, motors, valves, control panels and extension of existing pipeline.</li> <li>• Bulk water charges</li> <li>• Taking up emergency breakdown and up-gradation post disasters/exigencies of rural piped water supply infrastructure</li> <li>• Cleaning / Repair of overhead tank</li> <li>• Operation and Maintenance of Water treatment plant</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of water testing kit/reagents (specially for residual chlorine)</li> <li>• Purchase of consumable such as disinfectant (Bleaching powder, sodium hypochlorite, ClO2 gas)</li> </ul>	<ul style="list-style-type: none"> <li>• Honorarium/professional fees/service charges to operator/Nal Jal Mitra managing PWS system, water testing women, lab charges, contractual staff engaged in O&amp;M of PWS, SHG for maintaining accounts and user charges collection</li> </ul>	<ul style="list-style-type: none"> <li>• Payment of re-occurring electricity charges of intra-village water supply systems</li> <li>• Install Solar panels for drinking water supply system to minimize electricity charges</li> </ul>	<ul style="list-style-type: none"> <li>• Providing taps for drinking, handwashing and use in toilets in public institutions like Schools, Anganwadi Centres, Ashramshalas (tribal residential schools), Health Centres, GP buildings, public places like weekly haat/ bazar, mela ground, bus stand, playground/ sports complex, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Orientation for water user and community groups (Water Budgeting/ Jal Chaupal, presentation of Jal seva Ankalan report every year), Awareness generation for use of water-efficient fixtures for taps, and showerheads, judicious use of drinking water &amp; Celebration of Jal Arpan Diwas/ IEC activities</li> </ul>	<ul style="list-style-type: none"> <li>• Administrative expenses towards water supply system data entry cost, account and audit, plan preparation, cost of preparation of GPDP</li> </ul>

# Inclusion of Thematic Activities of SBM under Finance Commission Tied-Grant

## 2- Capacity Building and IEC Activities

- Training of PRI members/VWSCs/Swacchagrahis on SBM(G) including sanitation service delivery
- Awareness generation regarding social security schemes for sanitation workers
- Support for rural cleanliness drives and special campaigns on sanitation

## 3- ODF Sustainability and FSM Activities

- Construction of Individual Household Latrines (IHHL) for eligible Households
- Construction of toilets/ handwash unit in AWC/School
- Construction of toilets in public institutions
- Retrofitting of single pit toilets to twin pit toilets
- Retrofitting of septic tank toilets with soak pits
- Upgradation of CSC for ensuring divyangjan friendly access
- Setting up faecal sludge management plants
- Sanitation service delivery for mechanical cleaning/ desludging/ collection of Faecal Sludge

## 4- Administrative Activities

- Admin expenses towards sanitation and SLWM, data entry cost, accounting, preparation of project reports/technical plans for community sanitation and SLWM projects, GPDP preparation cost.

## Inclusion of Thematic Activities of SBM under Finance Commission Tied-Grant

### 5- Solid Waste Management Activities

- Construction of Gobardhan units at community/ cluster levels
- Solar power/renewable energy system to provide electricity in SLWM units including Gobardhan plants
- Sanitation service delivery for collection and transportation of waste from Household to treatment site
- Creation of compost pits for individual households
- Purchase and repair of Tricycles/other battery-operated vehicles for door-to-door waste collection including waste collection for Gobardhan units
- Purchase of weighing machine for use in SWM in community assets (segregation sheds/PWMUs/Gobardhan units)
- Purchase of sanitary pad incinerator

# **Key Recommendations for Rural Local Bodies**

**6<sup>th</sup> Finance Commission**

## Recommendations of 6th SFC and ATR of Government

Sl. No	Decisions of State Government on recommendations of 6 <sup>th</sup> SFC
1.	6 <sup>th</sup> SFC recommended inter-se devolution of funds for GPs, PSs and ZPs in the ratio 65: 25: 10. Government took conscious decision for distribution in the ratio of 60: 30: 10.
2.	Accepted 6 <sup>th</sup> SFC recommendation of intra-se distribution amongst 3 tiers of PRIs on the basis of population, category ( Scheduled Area and Non- Scheduled Area, aspirational Blocks ) and number of Units like GP & PS .
3.	Devolution of additional 30 % of funds in favour of GPs in scheduled Areas. Total GPs in TSP Area- <b>2181</b> , Total GPs in Non-TSP Area- <b>4552</b>
4.	Additional 20 % of funds to be devolved to aspirational Blocks
5.	Additional 20 % of funds to be devolved to ZPs having aspirational Blocks
6.	Panchayati Raj Institutions (PRIs) must utilize at least 50% of their previously received funds before the next installment of the devolution grant can be released."

# Recommendations of 6th SFC and ATR of Government

## Strengthening Own Source Revenues of Local Bodies

- PRIs & ULBs to strengthen Own Source Revenue (OSR) through alternative financing such as Municipal Bonds, PPPs and institutional borrowings.
- Undertake comprehensive revenue source mapping and integrate demand, collection and asset registers with dashboard.
- Implement e-Receipts and e-payments for OSR through IT modules, periodic revision of taxes/charges, and maintain public digital asset registers.
- Prepare OSR business plans within six months, strengthen rent recovery, promote ecotourism, PPPs, land and carbon monetisation; include projected OSR in GPDP/AAP.
- Enable Gram Panchayats to levy tourist user charges for rural nature camps to generate sustainable OSR.
- Adopt technology-enabled systems for end-to-end digitised revenue collection and service delivery at Panchayat level.
- Introduce property/holding tax in Census Towns and peri-urban Gram Panchayats.
- Promote online booking of PRI facilities and pre-allotment of market complexes / haats / pindis to mobilise advance revenue and avoid disputes.
- Intensify GIS-based property mapping, digital payments and periodic reassessment for improved property tax database.
- Link holding tax records with electricity data to identify unregistered properties and improve compliance.
- Generate urban OSR through park user charges, monthly passes and rentals for events/functions.
- Promote rural land-based monetisation of underutilised community and surplus lands for OSR generation.
- Implement “Creation through Monetisation” by leasing land for renewable energy ,agribusiness and climate-resilient assets.

## Tentative Fund Allocation of 6<sup>th</sup> SFC (₹ in Rupees)

### 6<sup>th</sup> SFC GRANT TO GRAM PANCHAYAT( TSP AREA) FOR FY 2026-27

Sl No.	Population Category	No of GPs	Amount per GP	TOTAL
1	0- 5000	1,166	1927430	2247383380
2	5001-7500	773	2312916	1787884068
3	7501-10000	222	2486200	551936400
4	above 10,000	20	2891145	57822900
<b>Total</b>		<b>2,181</b>		<b>4645026748</b>

### 6<sup>th</sup> SFC GRANT TO GRAM PANCHAYAT( NON-TSP AREA) FOR FY 2026-27

Sl No.	Population Category	No of GPs	Amount per GP	TOTAL
1	0- 5000	2,206	1482639	3270701634
2	5001-7500	1,782	1779167	3170475594
3	7501-10000	514	1911677	982601978
4	above 10,000	50	2223958	111197900
<b>Total</b>		<b>4,552</b>		<b>7534977106</b>