

F.No. 11(9) FCD/2010
Ministry of Finance
Department of Expenditure
Finance Commission Division

Block No.11, 5th Floor,
CGO Complex, New Delhi,
Dated: 5th December, 2012

To
Finance Secretary,
Government of
(All State Governments)

Subject: Grants recommended by the 13th Finance Commission- extent of utilisation of earlier instalments to determine eligibility for release of subsequent instalments-reg.

Sir,/ Madam,

I am directed to refer to this Department's Office Memoranda nos. 11(9)FCD/2010 dated 26.04.2011, 9(1) FCD/2010 dated 7.9.2010, 32(30) FCD/2010 dated 20.9.2010, 23(32) FCD/2010 dated 5.10.2010 and F. No. 34(1) FCD/2010 dated 24.11.2011, forwarding therewith guidelines for release and utilisation of grants for State Specific, Forest sector, Improvement in Justice delivery, Capacity Building for disaster response, and Improvement in Statistical System respectively, recommended by the 13th Finance Commission(FC-XIII).

2. One of the requirements for release of grants 2nd instalments onward of these grants is the utilisation of instalments already released. However, the extents of utilisations have not been specified in the guidelines. In order to ensure consistency and clarity, the extents of utilisation applicable to these grants are as under:

A. State Specific Grant

Sl. No.	Instalment due for release	Condition of Utilisation of grant to be fulfilled before release of instalment
1	2 nd instalment	Atleast 2/3 rd utilisation of the 1 st instalment.
2	3 rd instalment	100% utilisation the 1 st instalment and atleast 2/3 rd utilisation of the 2 nd instalment.
3	4 th instalment	4 th instalment would be released in two tranches. The first tranche would be released when 90% of the grant amount released so far is certified to have been utilised and second tranche comprising remaining 10% amount would be released when completion certificate is provided by the State, wherever required for construction activity.

Extent of utilisation will be calibrated according to different phasing requested by States.

B. Forest

Sl. No.	Instalment due for release	Condition of Utilisation of grant to be fulfilled before release of instalment i.r.o. of 75% of the Grant.
1	4 th instalment	(i) on the basis of approved working plans in the manner mentioned in guidelines and (ii) 100% utilisation of the 1 st and 2 nd instalments and atleast 2/3 rd utilisation of the 3 rd instalment.
2	5 th Instalment	i. on the basis of approved working plans in the manner mentioned in guidelines and (ii) 100% utilisation of amounts released as 1 st , 2 nd and 3 rd instalments and atleast 2/3 rd utilisation of the 4 th instalment.

C. Capacity building for Disaster Response

Sl. No.	Instalment due for release	Condition of Utilisation of grant to be fulfilled before release of instalment
1	2 nd instalment	atleast 2/3 rd utilisation of the 1 st instalment.
2	3 rd instalment	100% utilisation of the 1 st instalment and atleast 2/3 rd utilisation of the 2 nd instalment.
3	4 th instalment	100% utilisation of the 1 st and 2 nd instalments and atleast 2/3 rd utilisation of the 3 rd instalment.
4	5 th Instalment	100% utilisation of 1 st , 2 nd and 3 rd instalments and atleast 2/3 rd utilisation of the 4 th instalment.

D. Improvement in Justice Delivery.

Sl. No.	Instalment due for release	Condition of Utilisation of grant to be fulfilled before release of instalment
1	2 nd instalment	State Litigation Policy and HLC approved perspective Plan/ annual plans, and 50% of the 1 st instalment.
2	3 rd instalment	100% utilisation of the 1 st instalment and atleast 60% utilisation of the 2 nd instalment.
3	4 th instalment	100% utilisation of the 1 st and 2 nd instalments and atleast 60% utilisation of the 3 rd instalment.
4	5 th Instalment	100% utilisation of the 1 st , 2 nd and 3 rd instalments and atleast 60% utilisation of the 4 th instalment.

This grant, which has nine components, UCs will be required separately for two sub-sets: (a) morning/evening/shift/weekend/mobile/special magistrate courts; and (b) remaining eight components.

Improvement in Statistical System

Sl. No.	Instalment due for release	Condition of Utilisation of grant to be fulfilled before release of instalment
1	2 nd instalment	atleast 2/3 rd utilisation of the 1 st instalment.
2	3 rd instalment	100% utilisation of the 1 st instalment and atleast 2/3 rd utilisation of the 2 nd instalment.
3	4 th instalment	100% utilisation of the 1 st and 2 nd instalments and atleast 2/3 rd utilisation of the 3 rd instalment.
4	5 th Instalment	100% utilisation of 1 st , 2 nd and 3 rd instalments and atleast 2/3 rd utilisation of the 4 th instalment.

Yours faithfully,

Alok Chandra

(Alok Chandra)
Director (FCD)
Tel.No.24360647
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Copy to:

1. Line Ministries/ Departments concerned.

State-wise allocation of grant recommended by FC-XIII for
Improvement of Statistical Systems at State and District Levels

State	Rs. cr
Andhra Pr.	23
Arunachal Pr.	16
Assam	27
Bihar	38
Chhattisgarh	18
Goa	2
Gujarat	26
Haryana	21
Himachal Pr.	12
J & K	22
Jharkhand	24
Karnataka	29
Kerala	14
Madhya Pr.	50
Maharashtra	35
Manipur	9
Meghalaya	7
Mizoram	8
Nagaland	11
Orissa	30
Punjab	20
Rajasthan	33
Sikkim	4
Tamil Nadu	31
Tripura	4
Uttar Pr.	70
Uttarakhand	13
West Bengal	19
Total	616

Source: FC-XIII report, Vol.11, Annexure 12.14, page 473

Utilisation Certificate for 13th Finance Commission Grant for Improvement of Statistical Systems at State and District Levels

1. Whether expenditure Plan for 2010-15, duly approved by HLMC, has been provided to MOSPI and MOF?

2. If yes, please furnish the following information:

Year	No. of districts in the State	No. of districts covered	Milestones achieved, as per Annex-III,
2010-11			
2011-12			
2012-13			
2013-14			
2014-15			

3. Detailed break-up.

Activities	20.... (current year) [Rs. Cr.]		Cumulative for 2010-15 [Rs.Cr]	
	Grant released	Grant Utilised	Grant released	Grant Utilised
1.				
2.				
3.				
4.				

FINANCE SECRETARY, GOVERNMENT OF _____

Date: _____

Milestones for release of Instalments of the Grant for Improvement of Statistical Systems at State and District Levels

1st Instalment: After the expenditure plan is approved by the High Level Monitoring Committee in the State, and finalised by the group comprising representatives of the Ministry of Finance, the Ministry of Statistics and Programme Implementation (MOSPI) and the State Government (including in-charge of the Directorate of Economics and Statistics) concerned. Note: This plan can be modified at any time following the same approval path.	
2nd Instalment: Milestones to be achieved with the 1 st instalment of the grant to be eligible for release of the 2 nd instalment:	
1. Preparation of Business Register	<ul style="list-style-type: none"> i. Listing of the State/district levels authorities meant for registration of legal entities with the complete official addresses and designation of the officer responsible for providing information. ii. Listing of the items of statutory information at the time of registration separately for each type of institution. iii. Development of database in electronic form for consolidation of all such information available.
2. Providing network connectivity among districts and State headquarters	<ul style="list-style-type: none"> i. Assessment of the software and hardware requirements of the districts for connectivity with the State headquarters in a Wide Area Network. ii. Identification of existing hardware and software available in the Districts, integrating their use for the purposes specified under this grant. Purchase of any additional hardware items (to be kept to a minimum), only if explicitly approved by HLMC and the GOI group.
3rd Instalment: Milestones to be achieved with the 2 nd instalment of the grant to be eligible for release of the 3 rd instalment	
1. Preparation of Business Register	<ul style="list-style-type: none"> i. Updation of business register developed from the 2nd installment of the grant. ii. Preparation of a list of non-farm unincorporated enterprises using the database available with the local bodies. (e.g. sole proprietorship enterprises, partnership enterprises).
2. Coverage of Local Bodies	Collection, tabulation and consolidation of data on Receipts and Payments from 30% of the Local bodies.
3. Collection of Farm Activity Data	Identification of 10 major crops in the district and collection of estimates of cultivated area, production and peak period arrival prices at primary market for these crops, from either the existing administrative records or through studies to compile these data.
4. Pooling of the Central and State sample survey data	Survey data of respective NSSO rounds to be pooled; data to be compiled and report prepared.
5. Providing	i. Operationalization of the connectivity of the State headquarters

network connectivity among districts and State headquarters	and all the district offices. ii. Development of applications suitable for transmission of district level data to state and national agencies for sharing of data.
4th Instalment: Milestones to be achieved with the 3 rd instalment of the grant to be eligible for release of the 4 th instalment.	
1. Preparation of Business Register	Collection of micro level data on the basis of a sampling design for compilation of district income estimates for organized sector of the economy.
2. Coverage of Local Bodies	Collection, tabulation and consolidation of data on Receipts and Payments from an additional 30% of the Local bodies.
3. Collection of Farm Activity Data	Conducting of cost of cultivation studies for important crops and their dissemination for the use of estimating district level Gross Value Added (GVA).
4. Pooling of the Central and State sample survey data	Use of pooled data on relevant parameters for compilation of district income estimates.
5th Instalment: Milestones to be achieved with the 4 th instalment of the grant to be eligible for release of the 5 th instalment.	
1. Preparation of Business Register	Collection of micro level data on the basis of a sampling design for compilation of district income estimates for unincorporated sector of the economy.
2. Coverage of Local Bodies	Collection, tabulation and consolidation of data on Receipts and Payments from an additional 40% of the Local bodies.
3. Collection of Farm Activity Data	Collection of data on production and prices for Horticulture and other crops, either from the existing administrative records or conduct studies to compile it. Use of these data in estimation of District Income.
