

Backward Region Grant Fund (BRGF): An Analysis of Expenditures, Processes and Capacities

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Backward Region Grant Fund

- Launched officially on February 2007
- In 250 districts (now 272) across 28 states
- Identification of the districts was based on an index of backwardness comprising of three parameters:
 - a) Value of the output per agricultural worker;
 - b) Agricultural wage rate; and
 - c) Percentage of the SC/ST population in the district.

Objectives of the Programme

- **Bridge critical gaps** in local infrastructure and other development requirements that are not being adequately met through existing inflows.
- **Strengthen Panchayat and Municipality level governance** to facilitate participatory planning, decision making, implementation and monitoring, to reflect local felt needs.
- **Provide professional support** to local bodies for planning, implementation and monitoring their plans
- **Improve the performance and delivery of critical functions assigned to Panchayats**, and counter possible efficiency and equity losses on account of inadequate local capacity.

Guidelines for the Sanction of Funds

On Disbursement of Development Grant:

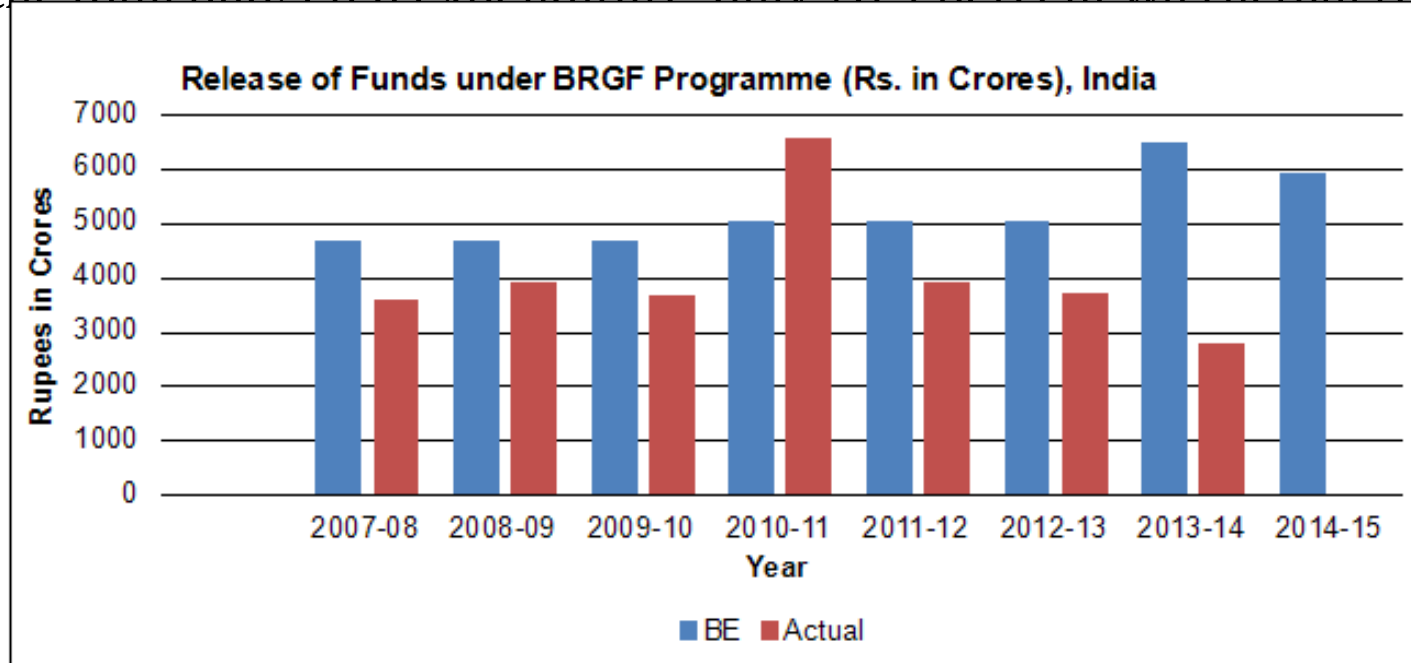
- A fixed minimum amount of Rs. 10 crore per annum.
- 50% of the balance allocation will be allocated on the basis of the **share of the population of the district in the total population of all backward districts.**
- The remaining 50% will be distributed on the basis of the **share of the area of the district in the total area of all backward districts.**

On Disbursement of Capacity Building Grant:

- Rs. 1.00 crore per annum per district

Release of Fund under BRGF

- Rs. 35660/- crore was budgeted expenditure till the financial year of 2013-14.
- Of the total budgeted expenditure only 78.9 percent was actual release



Source: <http://www.panchayat.gov.in>

BRGF Districts of Karnataka



Central Part of the State

- Chitradurga
- Davanagere

Northern Eastern Karnataka

- Bidar
- Gulbarga
- Yadgir
- Raichur

Objectives of the Study

- To analyse the **pattern of fund release and expenditure** across the districts
- To examine the **plans and planning processes** adopted at various levels.
- To analyse the **capacity building activities** undertaken under the scheme
- To assess the **change in relative positioning** of the BRGF districts where BRGF in the state
- To understand the strengths, gaps and constraints of the programme, and **outline the recommendations** for different levels

Methodology

- Desk Review
- Primary Data collection through individual interviews and discussions

	District	Taluk	GP	Municipality
Discussions	DPC	--	--	Town Planning Committee
	Technical Team	--	--	
Interviews		EOs	PDOs	
			Panchayat President's	

Collection of Secondary data

Data Analysis

Report Writing

Sampling Methodology

- District: Location and after consultation with ATI
- Taluk: HPCRRI Report and Percentage of literates
- GPs: 5 from each selected taluks through random sampling method
- ULBs: Avoided District head Quarters, and taluks from 'relatively developed' and 'most backward taluks group'

District	Taluks	Number of GPs	ULBs
Bidar	Aurad (Most Backward Taluks)	5	Humnabad town
	Bidar (Relatively Developed Taluks)	5	
Davanagere	Harapanahalli (Most Backward Taluks)	5	Channagiri town
	Davanagere (Relatively Developed Taluks)	5	

Pattern of Funding

Fund Released and Utilization

Fund Released and Utilization, Karnataka by the end of 2013-14
(Rs Crores)

	Development Grant	Capacity Building Grant	Total Grant
Allocated Budget	701.82	31	732.82
Amount Released	556.56	29.58	586.14
Utilized Amount	563.54	26.08	589.62

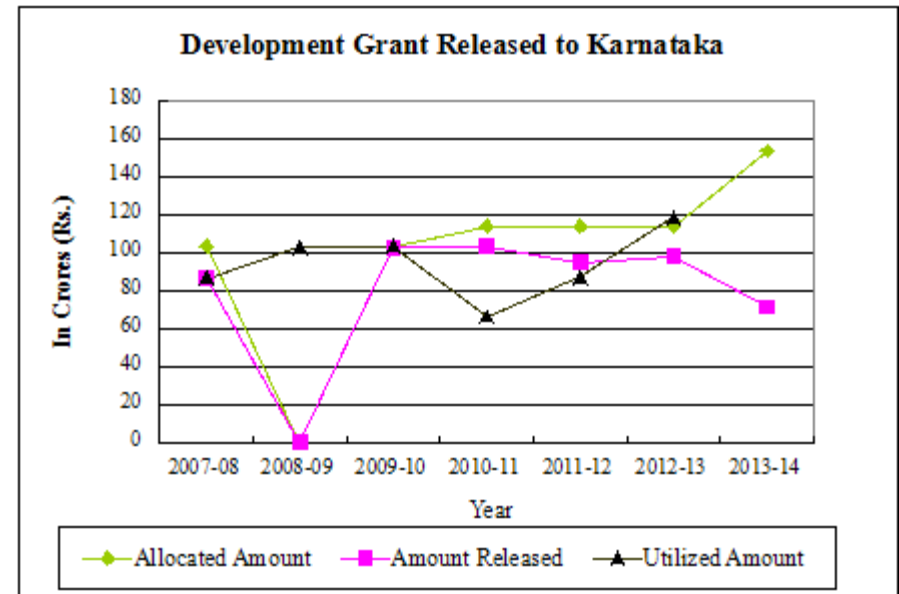
Capacity building fund is under utilized by 11.83%

Development grant is over utilized by 1.25%

Pattern of Funding Utilization of Fund

Utilization of Development Grants in a financial year ranges between 0 to 166%.

Reason of under utilization in a year is not because of lack of absorption capacity amongst the PRIs and ULBs but **Delay in Release** from the Center



Pattern of Funding

Distribution of BRGF Fund within a District

Previous and Current Distribution Pattern among PRIs and ULBs in Karnataka

2007-12			2013-14		
S.No.	PRI/ULB	Share	S.No.	PRI/ULB	Share
			1.	PRI	80%
1.	Gram Panchayat	43 %	a.	Gram Panchayat	70 %
2.	Taluk Panchayat	24 %	b.	Taluk Panchayat	20 %
3.	Zilla Panchayat	14 %	c.	Zilla Panchayat	10 %
4.	ULBs	14 %	2.	ULBs	20 %
5.	Advisory body	5 %			

Pattern of Funding At District Level

- Davanagere and Bidar has followed the distribution pattern
- Bidar does not allot the fund to ULBs but credit in the account of DUDC
- Davanagere was not releasing the amount allotted through the Scheme till 2011-12.

Pattern of Funding

Allotment of Fund under Various Activities in Bidar, 2013-14

S.No.		Allotment of Funds (in Lakhs)				% Share
		GP	TP	ZP	Total	
1.	Asset Creation	1117.75	348.25	182.00	1648.00	90.55
2.	Construction of District Office Building for Disabled welfare	54.60	--	--	54.60	3.00
3.	Innovative practices in Horticultural products : Custard, cashew-nut etc	30.60	--	--	30.60	1.68
4.	Enhancement of Education for improvement of SSLC results	66.05	15.75	--	81.80	4.49
5.	BRGF Common expenses	5.00			5.00	0.27
	Total	1274.00	364.00	182.00	1820.00	100.00
	Share (in %) in total allotment to district	70%	20%	10%	100%	

Pattern of Funding

Separate Sub-Plan for SC/ST

- PDOs (20) and most of the Panchayat Presidents (17) are aware of the submission of separate sub-plan under the BRGF scheme
- Activities for the welfare of the SC/ST committee are decided mostly by the PDOs/ Panchayat members.

Pattern of Funding

Time-sheet for the release of the fund in 2012-13

Time-sheet for the Release of Fund from Center and State (RDPR)

Districts	Installment	Amount (Rs in crores)	GOI Release Order (GO date)	GoK received from GoI	GoK release date to districts
Bidar	1 st	15.54	30.10.2012	06.11.2012	17.11.2012
	2 nd	2.90	29.03.2013	02.04.2013	04.04.2013
Davanagere	1 st	13.19	31.08.2012	06.09.2012	15.09.2012
	2 nd	-	-	-	-

Time-sheet for the Release of Fund from District to GP (Zilla Pnachayat Office, Bidar and Davanagere)

Districts	Installment	Amount (Rs in crores)	GoK release date to districts	Districts to Implementing Agencies (PRIs, ULBs, and others)
Bidar	1 st	15.54	17.11.2012	26.11.2012
	2 nd	2.90	04.04.2013	Not available
Davanagere	1 st	13.19	16-11-2012	31-12-2012
	2 nd	-	-	

Pattern of Funding: Time of Release

- **7 PDOs has complained about delay in release of fund**
- **Reason given are late submission of plan and delay in release of fund from Center**
- **Another major concern is the time of the release of fund**

Planning Processes

Reports/Studies

- Diagnostic Study: to identify the target indicators of development and plan accordingly (Published in 2010)
- Baseline Study: To measure the impact of the scheme (Published in 2010)
- District Perspective Plan (Recently published or under the process of finalization)

Planning Processes

District Perspective Plan

District Perspective Plan

- Participation of Grass-root is missing (Davanagere)
- Just the list of activities (Bidar)
- None of the districts have considered the perspective plans while preparing their annual plans under the scheme as the activities undertaken under the BRGF scheme did not reflect the priorities listed by the perspective plans. (CAG Report)

Planning Process

At the District level

"Each Panchayat or Municipality within the district concerned will be the unit for planning and Implementation" (BRGF Guidelines)

Davanagere:

- DPC was planning the activities for GPs under the scheme till 2011-12
- DPC had entrusted the task of construction of buildings/civil works to Taluk Panchayat, KRIDI, Nirmithi Kendra and PRED

Bidar

- The separate plans for SC/ST did not find place in Bidar district till 2013-14.

Planning Process

At the ULB Level

Davanagere

- No Ward Meeting
- Town Council decides activities as per the availability of fund
- The plan is send to DC for approval as s/he heads the DUDC before sending it to DPC

Bidar

- The fund is not released to the account of ULBs.
- DUDC plans and implements activities for ULBs

Planning Process At GP Level

- None of the activities were originated from Gramasabha but were from GP meetings (minutes of Gramsabha and GP meetings)

Whose decision is considered to be more important to finalize the activities ?

Decision Makers	PDO	Panchayat President
PDO	15	3
Panchayat President	1	1
Members of the Gramasabha	4	16

Planning Process At GP Level

As per PDOs/PP,
Areas where their
GP is Lagging

1. Education
2. Lack of Awareness
3. Livelihood
4. Infrastructure
5. Health

Activities Undertaken by the GPs
(2013-14)

1. Construction of Roads/Compound Walls (22 GPs)
2. SLWM Activites (12 GPs)
3. Construction/Repair health Centers/School Building (4 GPs)
4. Provision of Drinking Water facility/Water Purifier (3 GPs)
5. Constructed Anganwadi building (2 GPs)
6. Capacity Building Activites (1 GP)
7. Other Construction Activites (4 GPs)

Capacity Building

- Training Conducted: 656
- Number of Participants: 1.4 lakh (includes 56000 elected representatives)
- No specific training to orient PDOs and elected representative on BRGF planning process

Capacity Building

At the GP level

Training Received by PDOs and PPs

Training	PDO		Panchayat President		%
	Davangere	Bidar	Davangere	Bidar	
Received	6	10	3	10	72.5
Not Received	4		7	0	27.5
Usefulness of Training					
Very Helpful	1	0	0	1	6.9
Helpful	2	5	3	6	55.2
Somewhat helpful	3	5	0	3	37.9

Capacity Building At the GP level

Broad topic of Training

Training Subject	PDO		Panchayat President		Total	%
	Davangere	Bidar	Davangere	Bidar		
Agriculture and allied activities	2	3	3	10	18	62.1
Sectoral Issues	5	1	0	9	15	51.7
Alternative technologies	2	0	0	3	5	17.2
Other training's	3	9	0	0	12	41.4

Thank You

1/18/2016