



## Grants for Rural Local Bodies of Haryana

### Why in News?

The Union Government has disbursed [Fifteenth Finance Commission \(XV FC\) Grants](#) during the **Financial Year 2024-25** for the Rural Local Bodies of Bihar, Haryana, and Sikkim.

### Key Points

- **Allocation of Grants:**
  - **Haryana:**
    - Haryana's Rural Local Bodies received the **second installment of Untied Grants worth Rs 202.47 crore.**
    - The funds are designated for 18 eligible District Panchayats, 142 eligible Block Panchayats, and 6,195 eligible Gram Panchayats.
  - **Bihar:**
    - Bihar received the **second installment of Untied Grants amounting to Rs 821.80 crore.**
    - These funds are allocated to 38 District Panchayats, 530 eligible Block Panchayats, and 8,052 eligible Gram Panchayats that met the mandatory conditions for release.
  - **Sikkim:**
    - Sikkim received the **second installment of Untied Grants totaling Rs 6.26 crore.**
    - These funds were allocated to 4 eligible District Panchayats and 186 eligible Gram Panchayats, which fulfilled the mandatory conditions for release.
- **Utilization of Untied and Tied Grants:**
  - **Untied Grants:**
    - [Panchayati Raj Institutions \(PRIs\)](#) and [Rural Local Bodies \(RLBs\)](#) can use these funds for location-specific development needs under the **29 subjects listed in the Eleventh Schedule of the Constitution**, excluding salaries and administrative costs.
  - **Tied Grants:**
    - These funds are **strictly for basic services**, including:
      - [Sanitation and ODF maintenance](#), focusing on household [waste management](#), fecal sludge management, and human excreta treatment.
      - Drinking water supply, [rainwater harvesting](#), and [water recycling initiatives](#).

### Finance Commission

- It is a **constitutional body** that determines the **method and formula for distributing the tax proceeds** between **the Centre and states** and among the states as per the constitutional arrangement and present requirements.
- Under **Article 280** of the Constitution, the President of India is required to constitute a [Finance Commission](#) at an interval of five years or earlier.
- The **1<sup>st</sup> FC** was set up in 1951 and there have been fifteen so far.
- The **15<sup>th</sup> FC headed by N.K. Singh** was constituted by the President of India on 27<sup>th</sup> November

2017, against the backdrop of the abolition of [the Planning Commission](#) and the introduction of [the Goods and Services Tax \(GST\)](#).

- In November 2019, the Union Cabinet approved the **15<sup>th</sup> FC** to submit its first report for the first **fiscal year 2020-21** and to extend its tenure to provide for the presentation of the final report covering Financial Years 2021-22 to 2025-26 by 30th October, 2020.

PDF Refernece URL: <https://www.drishtias.com/printpdf/grants-for-rural-local-bodies-of-haryana>

