

**GOVERNMENT OF INDIA  
URBAN DEVELOPMENT AND POVERTY ALLEVIATION  
LOK SABHA**

STARRED QUESTION NO:10  
ANSWERED ON:18.02.2003  
GUIDELINES FOR BETTER FUND FLOW TO MUNICIPAL BODIES  
DHANI RAM SHANDIL

**Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:**

- (a) whether the Government propose to formulate guidelines for the State Governments to ensure better fund flow to municipal bodies;
- (b) if so, the details thereof;
- (c) whether the Union Government have agreed to provide guarantees for bonds raised by the urban local bodies;
- (d) if so, the details thereof; and
- (e) the measures to be undertaken by the Union Government to make funds available to the rural local bodies?

**Answer**

MINISTER OF URBAN DEVELOPMENT & POVERTY ALLEVIATION ( SHRI ANANTH KUMAR )

(a)to(e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 10 OF 18.2.2003 REGARDING GUIDELINES FOR BETTER FUND FLOW TO MUNICIPAL BODIES.

(a)&(b): No, Sir. As per Entry-5 of the State List of the Seventh Schedule of the Constitution, it is for the State Governments to look into such issues.

(c): No, Sir.

(d): Does not arise.

(e): The Ministry of Rural Development has informed that Panchayati Raj, being a State subject, States are responsible for devolving funds to Panchayati Raj institutions. According to Article 243-G of the Constitution, State Governments have been vested with the powers to make laws for endowing the Panchayats with such powers and authorities to enable them to function as institutions of self-government.