

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

STARRED QUESTION NO:233

ANSWERED ON:14.03.2008

URBAN LOCAL BODIES

Adhalrao Patil Shri Shivaji;Verma Shri Ravi Prakash

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Government is aware that the World Bank has made a study regarding Urban Local Bodies;
- (b) if so, the details thereof;
- (c) whether the Government is considering to increase the budget of Urban Local Bodies in the wake of above report;
- (d) if so, the facts thereof; and
- (e) the further action taken by the Union Government on the findings of the World Bank?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT(SHRI AJAY MAKEN)

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

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.233 FOR 14.3.2008 REGARDING URBAN LOCAL BODIES.

(a)&(b): The World Bank has brought out `Synthesis Study of Public Financial Management & Accountability (PFMA) in Urban Local Bodies (ULBs)'.The main recommendations of the study include improving ULB budget preparation, development o f model accounting rules and manuals,review and strengthening of ULB audit,capacity building,improvement in procurement performance,introduction of public finance management report card,strengthening of mechanism to ensure legislative compliance and improvement in public oversight.

(c)&(d): Government o f India has launched Jawaharlal Nehru National Urban Renewal Mission (JNNURM) which envisages an assistance of Rs.50,000 crore over the Mission period of 7 years,(2005-12).The provision is aimed at providing support to ULBs for implementation of projects and reforms.

(e): The recommendations of the study have been disseminated amongst the stakeholders for further action.Measures are also being initiated under JNNURM to improve the capabilities of the ULBs in terms of financial management.These measures include adoption of modern, accrual-based double entry accounting system,reform of property tax with Geographical Information System(GIS),levy of reasonable user charges,internal earmarking within local body, administrative and structural reforms and e-governance.