

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

UNSTARRED QUESTION NO:983

ANSWERED ON:01.03.2011

AMENDMENTS IN MUNICIPAL LAWS

Naik Dr. Sanjeev Ganesh;Paranjpe Shri Anand Prakash;Sule Supriya

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

- (a) whether the Government has directed all the municipalities to earmark minimum 25% of their funds for ensuring basic services – such as affordable housing, water supply, sewerage and drainage for the poor living within their jurisdiction;
- (b) if so, the details thereof alongwith the response of the State Governments thereto;
- (c) whether the Ministry has asked State Governments to amend municipal laws to ensure allocation of minimum 25% of their municipal budget for rendering services to the poor and setting up of basic services to the urban poor;
- (d) if so, the names of State which have so far implemented the directive alongwith the progress made so far in this regard;
- (e) whether it has been made clear that this fund should not be used for running establishments, including payment of salaries and wages; and
- (f) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION (KUMARI SELJA)

(a) to (d): As part of the reform agenda under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) being implemented w.e.f. December 3, 2005 all municipalities are expected to earmark municipal budget for the poor with a view to providing them basic services and undertaking urban poverty alleviation programmes. In this connection guidelines have been issued by the Central Government to States on 31.10.2010. State Governments have also been requested to undertake legislative amendments to ensure the allocation of minimum of 25% of municipal budget for basic services to the urban poor. The guidelines have been recently issued and it will take time for the State Governments to undertake legislative measures in pursuance of the guidelines.

(e) and (f): The proposed amendments envisage earmarking of funds for basic services to the urban poor including the inhabitants of the slum areas. Basic Services include expenditure on capital and revenue account directly incurred on water supply, drainage, sewerage, construction of community toilets, solid waste management, connecting roads, street lighting, public parks and play grounds, community and livelihood centres, community health centres, pre-primary and primary education centres, affordable housing for poor and other services as determined by the Municipality but shall not include establishment expenses, including salary and wages, not directly and specifically incurred for delivery of basic services to the poor.