

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:1058
ANSWERED ON:20.03.2012
TENDER AMOUNT UNDER JNNURM
Jakhar Shri Badri Ram ;Meghwal Shri Bharat Ram

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Government is considering to bear the tender premium amount under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in view of the weak financial condition of the urban local bodies;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the next instalments of additional Central assistance under the JNNURM are not being released by the Union Government owing to lacunae in the implementation of the Urban Reforms Programme;
- (d) if so, the details thereof, State-wise;
- (e) whether the Union Government proposes to implement the Urban Reforms Programme in consultation with the State Governments by adopting a practical approach after reviewing the said programme in view of the difficulties experienced therein by the States; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI SAUGATA ROY)

(a)&(b): There is no provision under Jawaharlal Nehru National Urban Renewal Mission (JnNURM) to meet any cost escalation including tender premium and the same has to be borne by the State/ Urban Local Bodies (ULBs) concerned.

(c)to(f): JnNURM is a reforms driven programme for planned development of identified cities. States/Cities execute a Memorandum of Agreement(MoA) with Government of India indicating their commitment to implement identified reforms. The first installment for projects sanctioned under Urban Infrastructure & Governance (UIG) of JnNURM is released on signing of MoA. Additional Central Assistance (ACA) under JnNURM is reform linked and release of second and subsequent installments of funds is subject to achievement of milestones agreed for implementation of mandatory and optional reforms at the State and ULB/Parastatal level as envisaged in the MoA.

As some of the States/ULB's have not achieved all the reforms as per their commitment in the MoA, the Ministry was unable to consider release of subsequent installments of ACA for the approved projects.

The Government has reviewed the position and decided on 01.12.2010 to accord approval for consideration/release of further installments of ACA after withholding 10% of the Central Share in case of UIG projects in States/ ULBs where significant progress has been made in the implementation of reforms. It has been further decided that States may use their own funds to meet the balance amount and complete the ongoing projects and obtain reimbursement of the withheld amount upon completion of reforms.