

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:1411
ANSWERED ON:06.03.2013
URBAN DEVELOPMENT PROJECTS NO
Swamygowda Shri N Cheluvarya Swamy

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Government has decided to provide performance based grants worth Rs.80 billion to 13 States for implementing various urban development projects and related schemes;
- (b) if so, the details thereof, State-wise;
- (c) whether the grants are likely to be allocated as per the recommendations of the 13th Finance Commission; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SMT. DEEPA DASMUNSHI)

(a)& (b): Based on the recommendations of the 13th Central Finance Commission, the Government has decided to provide Rs.8000 crores to the 28 States as performance based grants for Urban Local Bodies (ULBs) for the period 2010-15. The 13th Central Finance Commission has recommended grant-in-aid to urban local bodies as a percentage of the previous year's divisible pool of taxes (over and above the share of the States) after converting this to grant-in-aid under Article 275 of the Constitution. The grant has two components – a basic grant component and a performance based component. The performance based component grant will be released to the ULBs of those States for ULBs during the award period i.e. 2010-15. Performance based grants to all States will be 2.28 percent of the previous year's divisible pool.

(c)& (d): The Grants have been allocated as per the recommendations of the 13th Central Finance Commission and will be released on the compliance of the nine conditions as follows:-

- a. Putting in place a supplement to the budget documents for ULBs, Double Entry based accounting system;
- b. Putting in place Audit system for all local bodies;
- c. Establishment of Independent Local Body Ombudsman;
- d. Electronic Transfer of local body grants within five days of receipt from the Central Government;
- e. Prescription of the qualification of persons eligible for appointment of members of the State Finance Commission;
- f. Levy of Property Tax by ULBs without hindrance;
- g. Establishment of a property tax board;
- h. Disclosure of service standards proposed to be achieved by each ULB in respect of the water and sanitation sector etc; and
- i. Putting in place a Fire Hazard Mitigation Plan for million plus cities.