

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5999
ANSWERED ON:03.05.2013
INCREASING OUTLAY OF LOCAL BODIES
Biju Shri P. K.;Sampath Shri Anirudhan

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Union Government has received any requests for increasing the plan outlay of the panchayats and Municipal Corporations in the country during the last three years;
- (b) if so, the details thereof, State/UT-wise; and
- (c) the action taken by the Government thereon, State/UT-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a)to (c): The plan outlay of panchayats and Urban Local bodies is decided by the State Governments keeping in view the own resources of Local bodies, recommendations of State Finance Commission and grants received by Local bodies from State and Central Governments. Planning Commission, in consultation with the States, approves the proposals from States for their Annual Plan, including resources/Plan outlays of local bodies, after taking into account inter-sectoral Plan priorities within overall availability of the resources. However, all the States do not explicitly indicate the resources/ outlays for Local Bodies in their Annual Plans.

Further, taking into account the requests for increasing the support to the Local Bodies, the Thirteenth Finance Commission has, for the first time, recommended that during its award period (2010-15) a percentage of the net proceeds of Union taxes and duties of the previous year (over and above the share of the States) be transferred to local bodies as grant-in-aid. The estimated grant is Rs.87519 cr over 2010-15. During 2010 to 2013, Rs.32755.87 cr has been released to States for transfer to Panchayati Raj Institutions and Urban Local Bodies.