

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:2325
ANSWERED ON:05.02.2014
PERFORMANCE GRANT
Pathak Shri Harin;Patil Shri C. R.

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Government has released performance grant to various States including Gujarat as recommended by the 13th Finance Commission;
- (b) if so, the details thereof, State-wise, and if not, the reasons therefor; and
- (c) the time by which performance grant is likely to be released?

Answer

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

(a) & (b): The Performance Grant, beginning from 2011-12, is available for a period of four years to States that meet certain performance based conditions prescribed by the 13th Finance Commission (FC-XIII). However, where a State is unable to meet these conditions by 31st March of a particular fiscal year, its entitlement to the performance grant is forfeited. The total amount of the performance grants so forfeited for the particular year are then redistributed. While 50 percent of the aggregated amount so forfeited is divided amongst all the states (both performing and non-performing) according to shares indicated in FC-XIII report; the remaining 50 percent of the aggregate forfeited performance grant is distributed only amongst the States that have complied with the stipulated conditions in the ratio of their entitlements as specified in FC-XIII report. Gujarat was not eligible for performance grant for 2011-12 and 2012-13 as it did not meet conditions stipulated by FC-XIII relating to putting in place a system of independent local body ombudsmen. However, Rs. 1352.37 lakhs for Panchayati Raj Institutions (PRIs) and Rs. 934.41 lakh for Urban Local Bodies (ULBs) for year 2011-12 and Rs.1758.42 lakhs for ULBs for the year 2012-13 were released as share in forfeited grant to the State of Gujarat. Details of State-wise performance grants released for local bodies from 2011-12 to 2013-14 (upto 28.01.2014) are given in Statement at Annexure.

(c): All the performance based conditions for release of Performance Grant and Special Area Performance Grant must be met by the end of a fiscal year (31 March) for a State to be eligible to draw down its performance grant for the succeeding fiscal year.