

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:866
ANSWERED ON:16.07.2014
PERFORMANCE GRANT
Jardosh Smt. Darshana Vikram

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether all the nine conditions as required under the 13th Finance Commission's recommendations have been fulfilled by the State Government of Gujarat;
- (b) if so, whether the Union Government has released/proposes to release the performance grant to Gujarat; and
- (c) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF URBAN DEVELOPMENT (SHRI M. VENKAIAH NAIDU)

(a): No Madam.

(b) & (c): 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 to 2013-14 as it did not meet conditions stipulated by FC-XIII relating to putting in place a system of independent local body ombudsmen. Accordingly, the forfeited share of performance grants of ineligible States for year 2011-12 to 2013-14 for Panchayati Raj Institutions (PRI) including Special Areas and 2011-12 to 2012-13 for Urban Local Bodies (ULB) have been distributed among performing and non-performing States, in the ratios as prescribed by the FC-XIII. The State of Gujarat has been released forfeited grant of Rs.57.43 crore for PRIs, Rs.6.63 crore for Special Areas and Rs.26.93 crore for ULBs for the above period.