

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:900
ANSWERED ON:16.07.2014
GUIDELINES UNDER JNNURM
Patil Shri Shivaji Adhalrao

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Government has laid down certain guidelines for utilization of central funds under the Jawaharlal Nehru Urban Renewal Mission and if so, the details thereof;
- (b) the details of States which have not fully utilized the funds released under JnNURM along with the details of unutilized funds, State-wise;
- (c) whether the Government had released central funds under the JNNURM to some of States whose civic bodies had not fulfilled the laid down guidelines and if so, the details thereof, State-wise and the reasons therefor;
- (d) whether the purpose of the scheme were defeated by not adhering the laid down guidelines and spending money without linking it to reforms initiated by the State Governments; and
- (e) if so, the action taken by the Government in this regard?

Answer

MINISTER OF URBAN DEVELOPMENT (SHRI M. VENKAIHA NAIDU)

(a): Yes, Madam. The guidelines under Urban Infrastructure and Governance (UIG) of Jawaharlal Nehru National Urban Renewal Mission (JnNURM) inter-alia stipulate that the first instalment of 25% will be released on signing of Memorandum of Agreement (MoA) by the State Government/Urban Local Bodies (ULBs)/Parastatal for implementation of JnNURM projects. The balance amount of assistance shall be released as far as possible in three instalments upon receipt of Utilization Certificates to the extent of 70% of the grants (Central & State) and subject to achievement of milestones agreed for implementation of mandatory and optional reforms at the State and ULB/Parastatals level as envisaged in the Memorandum of Agreement.

Under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) of JnNURM, the guidelines stipulates inter-alia that 50% of the Central share will be released on signing of Memorandum of Agreement to the State nodal agency, after ascertaining availability of State share. The balance 50% of the Central share would be released on submission of Utilization Certificates by nodal agency for 70% of funds (Central & State grants) released earlier.

(b): State-wise details of total allocation and Additional Central Assistance (ACA) released for utilization during the Mission period under UIG and UIDSSMT of JnNURM are at annexure-I & annexure-II.

No State-wise allocation has been made under UIG and UIDSSMT during the Transition phase.

(c) to (e): (i) Under UIG of JnNURM, the release of further instalment of Additional Central Assistance (ACA) is dependent upon receipt of Utilization Certificates (UCs) to the extent of 70% of grants (Central and State) and subject to the achievement of milestones agreed for implementation of mandatory and optional reforms at the State and ULB/Parastatal level as envisaged in the MoA. As states and cities have not completed all reforms as per timelines, the release of instalments was withheld leading to stoppage of work and consequent cost escalation, complication of contractual obligation and poor quality of project implementation etc, the Government on 01-12-2010 approved that for the remaining Mission period, in case of UIG projects where significant progress has been made in the implementation of reforms by the States/Cities, Additional Central Assistance may be released after withholding 10% of the central share. 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.

(ii) Similarly under UIDSSMT, the Government de-linked the reform implementation with release of funds for 2nd instalment for the ongoing projects in the States of North Eastern Region & State of Jammu and Kashmir. It was also further stipulated that the 2nd instalment for the ongoing projects sanctioned under UIDSSMT may be released to those ULBs that have completed 4 out of the 6 mandatory ULB level reforms, including 2 reforms relating to Property Tax to the extent of 60% coverage of Properties and 70% collection efficiency and in respect of reforms on Recovery of Operation & Maintenance (O&M) cost through User Charges to the extent of 70% are achieved and those ULBs which are not able to achieve the specified relaxed standards, the work may be carried out with the funds available with these States and the fund would be reimbursed if reforms to the extent as mentioned above are achieved by 31.03.2014.

(iii) Funds were released to all States/UTs under UIG and UIDSSMT after relaxed reform conditions for timely completion of projects sanctioned so that the benefit of projects are accrued to the public. The progress of reforms implementation since the launch of JnNURM is significant in States like Andhra Pradesh, Chhattisgarh, Delhi, Gujarat, Jammu & Kashmir, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Puducherry, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal which have achieved more than 80%. Overall Reforms achievement stands at 81% while there has been an achievement of 84% in the State level reforms, 78% in ULB level reforms and 82% in the Optional reforms. Before the launch of JnNURM, the achievement of overall reforms implementation by the cities and states was at 9%. During the last 8 years, it has reached upto the level of 81%. Similarly, State level, ULB level and optional reforms implemented very effectively. The Government has however, asked these States/UTs to complete the reforms as per the commitment made in the MoA.