

GOVERNMENT OF INDIA  
MINISTRY OF URBAN DEVELOPMENT  
LOK SABHA  
UNSTARRED QUESTION NO. 2275  
TO BE ANSWERED ON MARCH 15, 2017  
FINANCIAL EMPOWERMENT OF URBAN BODIES

No. 2275. SHRI R. GOPALAKRISHNAN:  
SHRI J.C. DIVAKAR REDDY:

Will the Minister of URBAN DEVELOPMENT be pleased to state:-

- (a) whether the Government has taken any steps/measures for financially empowering the urban local bodies in the country and to hold them accountable;
- (b) if so, the details thereof;
- (c) whether some States have failed to introduce basic urban and municipal reforms; and
- (d) if so, the details of such States and UTs and the funds granted for the purpose by the Government to each State during the last three years and the current year so far?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF URBAN  
DEVELOPMENT  
(RAO INDERJIT SINGH)

(a)&(b): Urban Development is a State subject and Urban Local Bodies (ULBs) function under the laws and rules made by State Government and as such, providing financial autonomy to the municipalities is not within the purview of this Ministry. However, in order to improve the governance and financial condition of ULBs, the Ministry has been advising and encouraging States to implement the 74th Constitutional Amendment Act (CAA) in letter and spirit so that there is proper devolution of powers vis-à-vis, functions, functionaries and funds. Further, emphasis has been on implementation of urban sector reforms including property tax reforms, rationalization of stamp duty, implementation of double entry accounting systems, e-

governance, levy of reasonable user charges, and encouraging public private partnerships. Apart from this, the Ministry extends financial assistance for urban infrastructure, governance, reform implementation and capacity building programmes under various schemes and programmes to augment the efforts of State Governments.

(c) &(d): The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) provides for grant of incentive to carry out mandated reforms, 20 States/ UTs have crossed the benchmark score of 70% and awarded them the reform incentive in 2016-17. 16 States/ UTs have failed to achieve the benchmark, the list of such States/ UTs are as under:-

Sl. no.	Name of State/UT
1	A &N Islands
2	Arunachal Pradesh
3	Assam
4	Dadra & Nagar Haveli
5	Daman & Diu
6	Delhi
7	Haryana
8	Jammu & Kashmir
9	Lakshadweep
10	Manipur
11	Meghalaya
12	Nagaland
13	Puducherry
14	Punjab
15	Sikkim
16	Uttarakhand

The Ministry has granted an amount of Rs. 123.38 crore under A&OE component of the Atal Mission for Rejuvenation and Urban Transformation (AMRUT). The implementation of the specified reforms is an eligible activity under this component.