

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:4259
ANSWERED ON:21.12.2005
CENTRAL GRANTS TO BIHAR
Modi Shri Sushil Kumar

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Eleventh Finance Commission has deprived Bihar of Central grants of 26.82 crores for local urban bodies during the last two years;
- (b) if so, the details thereof;
- (c) whether Twelfth Finance Commission has decided for total Central grants of 142 crores for a period of five years from 2005-06 to 2009-2010;
- (d) if so, the details thereof including the schemes/projects for which the said grants will be utilised; and
- (e) the time by which grants will be given and the schemes for the purpose to be implemented?

Answer

MINISTER OF URBAN DEVELOPMENT AND CULTURE (SHRI S. JAIPAL REDDY)

(a)&(b): As informed by Ministry of Finance, Department of Expenditure (Finance Commission Division), the Eleventh Finance Commission (EFC) had recommended a total grant of Rs.67.05 crore for urban local bodies (ULBs) of Bihar for the period 2000 to 2005. This was to be released @ Rs.13.41 crore each year in two equal instalments. This grant was to be released to the State keeping into consideration pace of utilization and fulfilment of other conditionalities prescribed in the guidelines issued by the Ministry of Finance. During EFC award period, i.e. up to 31.3.2005, Bihar was released ULB grants to the extent of Rs.40.23 crore.

(c): Yes, Sir.

(d): As per the guidelines issued by the Ministry of Finance, Department of Expenditure, at least 50 percent of the grants-in-aid provided to each State for the ULBs should be earmarked for the scheme of solid waste management through public-private partnership. The municipalities should concentrate on collection, segregation and transportation of solid waste. The cost of these activities whether carried out in-house or out-sourced could be met from the grants. Since most States do not have credible information on the finances of their local bodies, funding support is needed for building database and maintenance of accounts. The TFC has recommended to the States to assess the requirement of each local body in this regard and earmark funds accordingly out of the total allocation recommended by the TFC.

(e): Government of Bihar has been released 1st installment of Rs.14.20 crore for the year 2005-06 of ULB grants. These grants are to be utilized by the State Government as per the recommendation of the TFC. The 2nd installment of the grant will be due for release in the month of January, 2006 subject to fulfilment of the conditionalities mentioned in the guidelines.