

CHAPTER 18

Grant-in-Aid to Local Bodies

There are certain areas identified for funding as grants-in-aid from the Consolidated Fund of the State to strengthen basic services, infrastructure and finances of the local bodies. Though the grants are quite small in quantum but of immense potential to make difference in quality of self - governance. The recommendations of grants for PRIs and ULBs are grouped together separately.

18.1 Grant-in-aid to PRIs

1. *The Commission recommends that an annual grant-in-aid of Rupees 5 lakhs should be given to 5050 GPs in schedule V area over the award period to strengthen basic services.*
2. *The Commission recommends that annual grant-in-aid of Rupees 20 lakhs for award period should be given to all 146 Janpad Panchayats to develop infrastructure. 75% grant should be for infrastructure works and 25% untide grant should be given for local requirements. State Government should issue proper guidelines for untide grants.*
3. *The Commission recommends that an incentive of 50% of the cost of water purification plant installed by the Gram Panchayats during award period of Third State Finance Commission for the community. Guidelines including payment procedure in this regard would be finalized by the Panchayat and Rural Development Department.*
4. *The Commission recommends for women empowerment, in case of women are elected in 2/3rd or more of total posts in a Gram Panchayat, a special grant of Rs. 5.00 lakh be sanctioned to that GP.*

18.2 Grant-in-aid to ULBs

1. *The following cash awards to ULBs are recommended as incentive for good performance:*
 - I. *One award would be on the basis of performance in-*
 - *Additional revenue mobilization (excluding the income from sale of land) from own resources in one year - current financial year compared to preceding financial year.*
 - *Maintenance of accounts including updating of Asset Register.*
 - *Productive and timely use of funds.*
 - II. *Award would be for the level of services provided in the field of-*
 - *sanitation*
 - *street lighting*

- Drainage of Waste Water
- Disposal of Solid Waste
- Maintenance of Public Places


Requirement of funds for Awards


(Rs. in lakh)

ULBs	State Level No. of Awards	Amount of Award	Total Amount
<i>Nagar Palik Nigam</i>	<i>Category - I - 1</i>	<i>20.00</i>	<i>40.00</i>
	<i>Category - II - 1</i>	<i>20.00</i>	
<i>Nagar Palika Parishad</i>	<i>Category - I - 3</i>	<i>15.00, 10.00, 5.00</i>	<i>60.00</i>
	<i>Category - II - 3</i>	<i>15.00, 10.00, 5.00</i>	
<i>Nagar Panchayats</i>	<i>Category - I - 3</i>	<i>10.00, 7.50, 5.00</i>	<i>45.00</i>
	<i>Category - II - 3</i>	<i>10.00, 7.50, 5.00</i>	
Total			145.00

The selection of Nagar Palik Nigam, Nagar Palika Parishad and Nagar Panchayat for awards would be done by a Committee to be constituted by the State Government.

2. *The Commission recommends for women empowerment, in case of womens are elected in 2/3rd or more of total posts in a Nagar Panchyat, a special grant of Rs. 5.00 lakh be sanctioned to that NP.*


(Naresh Chandra Gupta)
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