

216

(TO BE PUBLISHED IN PART IV OF THE DELHI GAZETTE-EXTRA ORDINARY)
GOVERNMENT OF NCT OF DELHI
(DEPARTMENT OF URBAN DEVELOPMENT)

ORDER

Delhi, the 14/10, 2009

No.F.13/17/2009/UD/17066 —In exercise of the powers conferred by Section 3 of the Delhi Finance Commission Act, 1994 (Delhi Act 10 of 1994) and on the recommendation of the council of Ministers, the Lt. Governor of the National Capital Territory of Delhi, hereby, constitutes the Fourth Finance Commission for the National Capital Territory of Delhi (hereinafter referred to as "the Commission") consisting of the following:--

1. Sh. P.S.Bhatnagar, IAS (retired) - Chairman
2. Dr.M.P.Mathur, Professor & Coordinator
Fire(D)/JNNURM, National
Institute of Urban Affairs - Member
3. K.S.Wahi, IAS, National Institute of Urban Affairs - Member-Secretary
(will hold the post in addition to duties as
Secretary Labour till December 31, 2009
and thereafter on regular basis.)

2. The Chairman and Members of the Commission shall hold office for the period commencing from the date of which they respectively assume their office, and ending on the 30th September, 2010.

3. The Chairman shall render full-time service while the Dr. M.P.Mathur shall render part-time service in the Commission.

4. The Commission shall review the financial position of the Municipalities and make recommendations as to -

(a) the principles which should govern—

- (i) the distribution between the Government of National Capital Territory of Delhi and the Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the Government of National Capital Territory of Delhi which may be divided between them.
- (ii) the determination of the taxes, duties, tolls and fees which may be assigned to the Municipalities.
- (iii) the grants-in-aid to the Municipalities from the Consolidated Fund of the National Capital Territory of Delhi ; and

(b) the measures needed to improve the financial position of the Municipalities.

5. In making its recommendations, the Commission shall have regard, among other considerations to ---

Go

- a. the overall resources position of the Government of National Capital Territory of Delhi;
 - b. 'the scope for economy in the Municipal administration' in sub-paragraph which shall include a detailed review of : first, both actual revenue receipts against annually projected revenues in the last five years and expenditure management policies in their quantitative and qualitative dimensions; second, revenue expenditure (such as the wage bill), expenditure on discretionary responsibilities vis-à-vis core responsibilities (such as discretionary fund of MCD Councillors) related to sanitation, street lighting, primary health, primary education and storm water drains, and; third, the steps taken to compress unproductive expenditure.
 - c. 'the scope for improvements in resource mobilization by the Municipalities' in sub-paragraph which shall include a special review of measures to: first, deepen and widen the property tax base; second, improve tax compliance; third, increase collection efficiencies to reduce arrears and leakages, and; fourth improve revenue receipts (gross, net and per capita).
 - d. the 'tax effort made by the Municipalities' shall include a review of specific measures to: first, rationalize tax and non-tax rates; second, introduce new revenue generating measures, and; third, improve compliance as reflected in the total, per capita and percentage receipts over the last five years.
 - e. adequate maintenance and upkeep of capital assets including those created or likely to be created under the Plan schemes till the end of March, 2011 (the expenditure provided therefore and the norms, if any on the basis of which such expenditure is provided for maintenance of different categories of capital assets and the manner in which such maintenance expenditure could be monitored may be indicated);
 - f. the requirements of the Municipal bodies for modernization of administration (for example e-governance) and upgrading the standards of services (the details for such expenditure provided for and manner in which this could be monitored may be indicated).
6. The Commission's Terms of Reference to review the functions assigned to Municipalities should apart from keeping in mind the availability of resource and the limitations of capacity, also focus on the need for:
- (i) evolving rational resource allocation principles that emphasize the infrastructure, services and amenities deficit between different zones,
 - (ii) avoiding duplication of responsibilities as between the state government and the municipalities, and

Cus

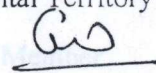
110

- (iii) accountability related to "agency functions" of local bodies i.e. functions taken up by local bodies on behalf of the state government.

7. The Commission shall make its report available by the 30th September, 2010 on each of the matters aforesaid and covering a period of five financial years commencing from 1st April, 2011.

8. The Commission shall also indicate in its report the basis on which it has arrived at its findings and indicate, as far as possible, the estimates/forecasts of receipts and disbursements for all the Municipalities together as well as separately for each of such bodies.

By Order and in the Name of the Lt. Governor
of the National Capital Territory of Delhi.



R.C. MEENA, JOINT.SECY.