

**GOVERNMENT OF ARUNACHAL PRADESH  
DEPARTMENT OF URBAN DEVELOPMENT  
ARUNACHAL PRADESH CIVIL SECRETARIAT:ITANAGAR**

**NOTIFICATION**

Dated Itanagar the 14th April 2011

No. DTP/MUN-26/2009-10:-In exercise of the powers conferred by section 446 of the Arunachal Pradesh Municipal Act, 2007 (Act No. 4 of 2008) the Governor of Arunachal Pradesh do hereby makes the following rules for internal earmarking of budgets for providing basic services to the urban poor namely:

1. (1) These Rules may be called the Arunachal Pradesh Internal Earmarking of Budgets **Short title**  
for Urban Poor Rules of 2011.
- (2) They shall come into force all over the State of Arunachal Pradesh on the date the **Extent**  
State Government by notification in the official Gazette appoint and shall supersede anything to the contrary contained in any municipal rules notified by the State Government under the Arunachal Pradesh Municipal Act, 2007 in so far as they pertain to earmarking of budgets for providing basic services to the urban poor.
2. Uninhabited Areas which are being developed under a master Plan/ development plan shall be governed under a different set of rules including change management of population living in the vicinity of such areas. **Exemptions**
3. For the purposes of these rules: **Definitions**
  - (a). 'Budget' means Municipal Budget prepared by the urban local bodies under the Arunachal Pradesh Municipal Act, 2007 in accordance with the codes prescribed for basic services for urban poor in the National Municipal Accounting Manual
  - (b). 'Act' means the Arunachal Pradesh Municipal Act, 2007
  - (c). 'Rules' means the Arunachal Pradesh Internal Earmarking of Budgets for Urban Poor Rules of 2011
  - (d). 'Committee' means the subject committee on internal earmarking of budgets for urban poor appointed under the Arunachal Pradesh Municipal Act, 2007, and whose decisions shall be ratified by the Empowered Committee as per section 21 of the Arunachal Pradesh municipal Act, 2007.
  - (e). 'Internal Earmarking of Budget for Urban Poor' means earmarking of specific amount of budgetary allocation for urban poor estimated through a document produced by the municipal council every one to two years (depending on as and how the Council passes a resolution on the same, also based on the incidence and alleviation of poverty, and which shall serve as the official statement of facts on poverty for the year/ years, and on whose basis any budgets would be earmarked.
  - (f). 'Municipal Action Plan for Poverty Reduction' shall mean an action plan which shall be drawn up for a fixed perspective period, which may be a maximum of five years, and a minimum of two years. This plan would be developed by the municipal council under the aegis of the Committee, and would be endorsed by the Council through a resolution.
  - (g). 'Project pipeline' shall mean a list of projects proposed to be taken up pursuant to their being included in the Municipal Action Plan for Poverty Reduction.

- Functions of the subject committee**
4. Notwithstanding anything contained in the Arunachal Pradesh Municipalities Act, 2007, or any rules made thereunder:-
- (a). The Subject Committee shall in every year as specified by the Council through its resolution, earmark budgetary allocation for urban poor in the cities/ towns of the state.
  - (b). The Committee shall commission, at a regular interval as specified by the council through its resolution, the preparation of a municipal poverty profile for the cities/ towns.
  - (c). The Empowered Committee, on the basis of the Subject Committee, may appoint official Accounts Officer to ensure and oversee the earmarking of the internal earmarking of budgets for urban poor on behalf of the municipality
  - (d). The Empowered Committee, on the basis of the Subject Committee, may appoint any agency or individuals for the preparation of the municipal poverty profile, as a service.
- Earmarking of budget**
5. Commissioning the Internal Earmarking
- (a). Preparation of a roadmap for separate budgetary head for urban poor welfare and detailed budget items under their respective separate budgetary head or separate budget for urban poor and adopt an appropriate Government policy.
  - (b). The Municipal budget would make a discrete entry under the budgetary head pertaining 'internal earmarking of urban poor' the proportion of which will be determined through studies and research for the preparation of the urban poverty profile. This head would remain non-lapsable for a period of two years, and re-appropriations can be made from any surpluses under any head at the discretion and approval of the Municipal Commissioner.
  - (c). The Empowered Committee may award, either by bid, or by nomination (in case a suitable bidder is not found), the task of preparing the municipal poverty profile to any party that matches the qualifications listed in 'Arunachal Pradesh Urban Poverty Profiling and Strategic Plan Rules of 2011'.
  - (d). The Committee would, through the official as appointed in line with Rule 4(c) as above, regularly monitor the 'internal earmarking of budgets for urban poor.
  - (e). In the context of urban poverty study, the Committee has the right to terminate the assignment in case the agency is not performing satisfactorily. In such event, the Committee, would make a recommendation to the Empowered Committee to cancel the engagement and take fresh steps to assign a new agency.
- Consultation**
6. Consultations during the preparation of municipal poverty profile followed by 'Internal Earmarking Budgets for Urban Poor' shall be as under:-
- (a). During the preparation of the municipal poverty profile, the agency appointed would require holding extensive consultations with the underserved segments of the city's populace. In order to facilitate this, the Committee, would direct the concerned ward committee to organize a public meeting in line with the rules on participation of elected representatives in city planning function. Such a consultation would be funded out of municipal expenses, and would cover, at least:
    - (i) Statement concerning the findings on the seven point charter and other related parameters
    - (ii) Emergent issues at hand
    - (iii) Technical and regulatory framework, including legislative limits

- (iv) Prioritization of issues
- (b). A report of the Consultation would be prepared by the Agency commissioned to create the municipal poverty profile, which would be signed by the Councilor and Chairperson of the Ward Committee and be freely available to the public at large
- (c). During preparation of 'Budget for Urban Poor' it will be necessary to examine all the budgetary processes – identification and selection of development works for urban poor, processes and implementation of works i.e. business process re-engineering.
- (d). It would be essential to develop tools for additional transformations, as mere earmarking of funds or adoption of a separate budget head or separate budget structure for the urban poor welfare with detailed budget items under this separate head will not yield the desired result unless it is accompanied by a program of change management in the organization. Opinion building and attitudinal transformation exercise would need to be undertaken.
7. The Committee would review the results and inferences drawn from the data gathered by the Agency commissioned to prepare the municipal poverty profile, and may appoint specialist consultant to vet the findings.
8. Procedure of acceptance of the municipal poverty profile
- (a). The Committee may deliberate internally, and based on the inputs of any external/ interim specialist (as regards the robustness and integrity of the data and analysis made and budgetary allocation decided), would place the draft budget before the Municipal Council for acceptance/ modification/rejection, if any (through resolution).
- (b). The Council may endorse the same after necessary debate, may by passing a resolution modify/reject or accept the 'budget for urban poor'.
9. Once the municipal poverty profile/ budget for urban poor is accepted, the Committee would forward the matter to the Empowered Committee, who may take up the preparation of a municipal action plan for poverty reduction, either through the same agency which prepared the municipal poverty profile or specialist consultant who had vetted the profile.
10. The 'Municipal Action Plan for Poverty Reduction' would essentially be expected to cover the following:

**Review of the Municipal poverty profile report**

**Procedure of acceptance of the municipal poverty profile**

**Acceptance of Municipal poverty profile and recommendation**

**Aspects to be covered under municipal Action Plan for Poverty Reduction**

Area under review	Output
Baseline incidence rate of urban poverty, to target rate of incidence of poverty	Review of Indicators for poverty as used in municipal poverty profile and any new indicators that may be deemed necessary
Regulatory framework	Review of all statutory plans and policies and recommendations to change the same
Fiscal framework	Review of all budgetary sources available, and re-working of the same including possible sources for funding. The agency may also assist the urban local body for making cases for enhanced grants
Technical framework	Review of infrastructure and development of project pipeline
Institutional framework	Organisational review of community based/ area based structures, identifying shortfalls and suggesting means to improve the same

**Restructuring of Urban Development Department and aspects to be covered while Internal earmarking for urban poor**

11. 'Internal Earmarking of Budgets for Urban Poor' would essentially be expected to cover the following:-

Processes	Responsibility(s)	Role(s)
<b>Pre-Implementation Phase</b>		
Identify the Nodal Agency for Implementing National Municipal Accounting Manual in the State	Department of Local Bodies	Responsibility for managing the implementation, dealing with technology, process and change management related issues internally, quality assurance etc.: <ul style="list-style-type: none"> <li>· Selection of budgetary reform expert (or consultant)</li> <li>· Finalizing the roadmap</li> <li>· Finalize the institutional framework</li> <li>· Monitor budgetary reforms at Urban Local Bodies level</li> <li>· Finalize the capacity building and change management plan for the State</li> </ul>
Selection of Budgetary Reforms Consultant	Department of Local Bodies	<ul style="list-style-type: none"> <li>· Prepare separate budget head or budget structure for urban poor welfare with detailed budget items for urban poor reforms roadmap</li> <li>· Analysis of existing budgetary system</li> <li>· Preparation of budgetary reforms operational manual for Urban Local Bodies</li> <li>· Monitor budgetary reforms implementation of Urban Local Bodies</li> <li>· Develop strategies for rolling out budgetary reforms across states/Urban Local Bodies</li> <li>· Design change management programme at the Urban Local Body level</li> <li>· Identify the milestone/ indicator for monitoring success</li> </ul>
Preparation of Budgetary Reforms Roadmap	Department of Local Bodies	<ul style="list-style-type: none"> <li>· Describe changes to be carried out by budget structure, system and processes (from Department of Urban Local Bodies to Urban Local Bodies)</li> <li>· Criteria and modules for allocation of resources for urban poor</li> <li>· Modalities for institutional framework/ organizational restructuring for operationalizing separate budgets for the urban poor at the Urban Local Bodies level</li> <li>· Roadmap for implementing performance</li> </ul>

		budgeting and outcome budgets along with separate budget and budget structure for the urban poor welfare and detailed budget item for the urban poor <ul style="list-style-type: none"> <li>· Capacity building requirements</li> <li>· Opinion building and attitudinal transformation strategies</li> <li>· Broad cost estimates</li> </ul>
<b>Implementation Phase</b>		
Identify ULB Level Project Management Unit	Itanagar, MC	<ul style="list-style-type: none"> <li>· Preparation of budgetary reforms action plan</li> <li>· Monitor the budget reforms activities</li> <li>· Monitor the segregation of budget items, resources and preparation of new budget activity</li> <li>· Support deployment of the application</li> <li>· Design training strategy for the State Implementation team</li> <li>· Manage change at the Urban Local Body</li> </ul>
Preparation of Budgetary Reforms Action Plan	Itanagar, MC	<ul style="list-style-type: none"> <li>· Prepare reform description including objectives, service levels and outcomes</li> <li>· Reform implementation approach and component detailing</li> <li>· Reform costing</li> <li>· Implementation timelines</li> <li>· Develop evaluation and monitoring system</li> </ul>
Pilot and Scale-up	Itanagar, MC	<ul style="list-style-type: none"> <li>· Pilot in one or two Zones/ Select Ward</li> <li>· Scale-up</li> </ul>
Change Management	Department of Local Bodies	<ul style="list-style-type: none"> <li>· Training end-users at state and Urban Local Body level</li> </ul>
Documentation	Department of Local Bodies	Preparation of documents such as: <ul style="list-style-type: none"> <li>· Functional requirement document</li> <li>· System design document</li> <li>· User manuals</li> <li>· Operational manual</li> <li>· Maintenance manuals</li> <li>· Other documentation</li> </ul>

**12. Internal acceptance of the draft municipal of earmarking budgets for urban poor**

- (a). The draft action plan for poverty reduction would be circulated to all Ward Committees, Subject Committee soliciting their comments, objections and suggestions, based on which allocation of budget will be done.

*Note:-[This would require being done in a time bound manner, around 15– 30 days. In case any Committee or individual fails to respond during the stipulated timeframe, it will be understood that such Committee/ individuals accepts the draft plan in its present shape and form.]*

**Acceptance of draft earmarking of municipal budgets**

- (b). The Empowered Committee, based on the feedback received on the internal earmarking, would nominate the heads of the technical sections/ their subordinates to identify conflicting suggestions, and take a view on which of the conflicting to adopt. Once this exercise has been done, the consolidated list of comments, objections and suggestions would be sent back to the Agency for incorporation into the municipal action plan for poverty reduction and subsequently to budget for urban poor.

**Compiling and consolidation of Municipal Budget** 13. The Empowered Committee may, after compiling all comments, objections and suggestions, consolidated budget for incorporation in the main municipal budget (to be finally moderated by the budget and finance committee of the council).

**Timeframe for budget presentation in the council meeting** 14. The Committee would submit, in a timeframe of two weeks, the finalized budgets for urban poor for presentation in the council meeting.

**Approval of the budget.** 15. The final budget would at last be tabled before the Council, along with an executive Council and a list of projects to be taken up during the perspective period. The Council may pass the same through a resolution of approval. Following the same, there would be the following three line of approach:

- a. Implementation of municipal poverty reduction strategy plan
- b. Revision of budgets for re-sequencing of projects (temporally)
- c. Revision of ward level plans for execution of works.

**Sd/-**

**Secretary**

Department of Urban Development & Town Planning

Govt. of Arunachal Pradesh

Itanagar

**Memo No. DTP/MUN-26/2009-10**

**Dated Itanagar the ..... April 2011**

Copy to:-

Director Printing, Department of IPR, Govt. of Arunachal Pradesh, Naharlagun, for publication as Extraordinary Gazettee please.

**(Ms. Sumedha)**

Deputy Secretary

Department of Urban Development & Town Planning

Govt. of Arunachal Pradesh

Itanagar































