Government of Jammu and Kashmir,
Housing & Urban Development Department,
Civil Secretariat, Jammu/Srinagar
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Subject: Urban Reform Incentive Fund (URIF) for the ULBs of UT of J&K-Guidelines thereof.

Reference: (1) Ceiling Conveyed by Finance Department under Capex Budget 2022-23 vide their U.O No. BDGT0GEN/10/2021-03-FD, dated 29.03.2022.

(2) Administrative Council Decision No. 171/14/2022 Dated 19.12.2022

Government Order No. 04-JK (HUD) of 2023
Dated: 03-01-2023

Pursuant to the approval conveyed by the Administrative Council vide Decision No. 171/14/2022 dated 19.12.2022 for Roll out of **Urban Reform Incentive Fund (URIF),** the guidelines appended as **Annexure-A** to this order are hereby notified for providing reform linked assistance to the ULBs of Union Territory of J&K. The utilization of funds so released under URIF shall be subject to following conditions: -

1. That all the ULBs shall undertake to levy the Property Tax, prior to availing the funds.
2. That the share of each ULB under URIF shall be released as additional GIA to the respective ULB.
3. That all codal provisions/formalities, Financial Rules and guidelines under GFR and as notified by the Government from time to time shall be adhered to;
4. That the fund released under URIF shall not be used for any revenue expenditure.

The expenditure on this account shall be booked as per following classification:-

'City Sustainable/infrastructure fund- 19-4217-03-051-0011-1295'

By Order of the Government of Jammu & Kashmir.

Sd/-
(Dheeraj Gupta) IAS
Principal Secretary to the Government
Housing and Urban Development Department
Dated:- 03-01-2023

No. HUD/67/2022-01/(E-239779)
Copy for information to the:-

1. Administrative Secretary to the Government, Finance Department.

2. Commissioner, Municipal Corporation, Jammu/Srinagar.
3. Director, Urban Local Bodies Kashmir/Jammu.
4. Director Finance, Housing and Urban Development Department
5. Director (Planning), Housing and Urban Development Department.
6. Private Secretary to Chief Secretary, J&K Government
7. Private Secretary to Principal Secretary to Government, Housing and Urban Development Department
8. Private Secretary to Secretary to the Government, General Administration Department.
9. Government Orders file (w.2.s.cs)
10. Official website HUDD.

(Thannaji Bhat)
Under Secretary to the Government
Housing & Urban Development Department

URIF Guidelines:

S. No	Particulars	Mechanism to be adopted	Year 1	Year 2	Year 3	Year 4	Year 5	Remarks
Incentive Part								
1	Grant to match share of the ULB in total own resources of all ULBs	50% of the corpus * share of ULB collection in last FY to total collection of all ULB of UT in last FY	50% of the corpus	50% of the corpus	50% of the corpus	50% of the corpus	50% of the corpus	Ex: If total corpus is 200cr and total collection by all ULB in last year is 87 cr. Then 50% of corpus is 100cr Then a ULB which generated 2 cr last year will get = 100 *2/87= 2.29cr If total collection of all ULBs is 115 cr then a ULB with 2 cr collection will get = 100*2/115=1.73cr
2	Grant to reward performance on identified parameters – as per J&K MDI	Ranking based on marks Bottom 1/3 will be given 60% of per capita corpus * population middle 1/3 will be given 90% of per capita corpus * population Top 1/3 will be given per capita corpus of remaining amount * population Per capita corpus = 25% of corpus/total urban population of UT Per capita corpus of remaining amount = (25% of corpus-amount disbursed to bottom and middle 1/3 ULBs)/population of top 1/3 ULBs	25% of the corpus	25% of the corpus	25% of the corpus	25% of the corpus	25% of the corpus	Ex: If total corpus is 200cr and total urban population is 35 lakh then 25 % of corpus is 50 Cr Per capita corpus = 50 cr/35 lakh = 142.85 rs then a ULB of 5000 population among bottom 1/3 will get 142.85*0.6*5000= 4,28,550 a ULB of 5000 population in middle 1/3 will get 142.85*0.9*5000 = 6,42,825 if 18cr is distributed among 2/3 ULB in such way and remaining fund is 32cr and say total population of these 1/3 ULB is 20 lakh then per capita corpus of remaining amount = 32cr/20lakh = 160 rs then a ULB of 5000 population among top 1/3 will get 160*5000 = 8,00,000
3	VGF grant for projects identified through challenge	Projects on IT enablement, capacity building, introduction of technology, green space development, outsourcing sanitation to be funded under this. Eg. Data smart city, sustainable city, City drainage management/ grey	10% of the corpus	15% of the corpus	20% of the corpus	25% of the corpus	25% of the corpus	To nudge the ULBs in the conceptualization, planning and execution of self-sustaining public use projects, a VGF grant can be used to incentivize the enhancement of capacities of the ULBs on this count. A maximum of 7-10 very good such projects can be selected for VGF grant. The share of this part would have to be

	water management, smart street challenge, street for people. Challenge can be spelt out before the start of FY with 2-3 months to complete the selection process. theme for this year can be Green space development, urban mobility (pot hole free roads) and Grey water management						raised over time as demand from new as well as old projects accumulates.
4	**Enablement Part**						
	Fund support for augmenting ULB capacity in 1-3 identified areas	May be utilized in IT enablement and adoption of Technology in Property mapping, enforcement of BP/illegal construction measures, revenue realization, public works management	15% of the corpus	10% of the corpus	5% of the corpus	nil	nil	This could be a tapering, tied grant which could be used for reform enablement by augmenting 1-3 identified capacities of the ULBs during a year. The focus for the current year could be making the IT infrastructure in the ULBs sufficiently robust so that they become capable of providing at least the common 21 services in fully online mode, are available online 24x7, and have the necessary hardware, software and competent manpower/ handholding support to operate these services in always on mode. Of the Rs 30 crore available for the current year as per this formula, 20 crores could be shared relatively uniformly among the ULBs for purchase of IT equipment and services except the web-application/ mobile app/ platform, and 10 crore could be used at UT level/ DLB J/K levels, to create/ customize the common web application/ mobile app/ platform.