

INCENTIVE GRANT FOR ADDITIONAL ALLOCATIONS

- (i) 50% of the additional budget allocation of Government of India for the concerned CSS over the previous year will be distributed as incentive grant. For example, if the budget allocation in the previous year was Rs.1,000 crore and in the current is Rs.1,200 crore, then Rs.1,200 crore minus Rs.1,000 crore equal to Rs.200 crore. Of this, additional grant, 50% or Rs.100 crore will be distributed as incentive grant.
- (ii) The Incentive grants will be given to those States who have
 - (a) Increased the budget allocation in their States for the concerned scheme as a proportion of the total budget. (50%)
 - (b) Effectively developed funds, functions and functionaries to PRIs/ ULBs/ Other local bodies. This will be ascertained on the basis of a Management development Index (50%)
- (iii) The incentive grants will be distributed in the same proportion in which they are getting their normal allocations for the concerned year. The entire incentive grant will be distributed only among these States proportionally.
- (iv) The incentive grant in the first year of the Plan (2012-13) will, however, consider only II (a) as criteria for reimbursement of incentives. This will give time to states for formulation of such Management Devolution Index (MDI) by an expert group for different sectors & its updating every year.

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