

## 11. STATE FINANCE COMMISSION

### 11.28 Guidelines for utilizing the Infrastructure Gap Filling Fund

Rural Development and Panchayat Raj (C2) Department

G.O. (Ms) No. 182

Dated : 2.11.2007

Read :

1. G.O.(Ms) No.199 Finance (Finance Commission-IV) Department dated 25.5.2007
2. G.O.(Ms) No.126, Rural Development and Panchayat Raj (C2) Department dated 12.7.2007
3. G.O.(Ms) No.153, Rural Development and Panchayat Raj (C2) Department dated 29.8.2007.
4. From the Director of Rural Development and Panchayat Raj Lr.Roc.No.37187/07/PRI.II.2 dated 31.10.2007.

#### ORDER

In G.O. first read above orders have been issued to reserve 5% from out of 60% share of the Village Panchayats from State Finance Commission devolution toWards Infrastructure Gap Filling Fund. The Government have further ordered that 50% of the gap filling fund shall be allocated to Anaithu Grama Anna Marumalarchi Thittam and out of the balance 50% of the fund, a part shall be allocated to the Director of Rural Development and Panchayat Raj for providing basic amenities in the Districts and the rest shall be allocated to the Districts based on population and the District Collectors shall utilize the funds for the same purpose.

2. In G.O. second read above orders have been issued to allocate 5% of the State Finance Commission fund (i.e) Rs.79.1794 crores as Infrastructure Gap Filling Fund. In G.O. third read above orders have been issued to apportion the Infrastructure Gap Filling Fund of Rs.79.1794 crores as follows -

(Rs. in crores)

5% infrastructure gap filling fund as per budget estimate	79.1794
50% of above allocation to Anaithu Grama Anna Marumalarchi Thittam	39.5897
Balance 50% infrastructure Gap Filling Fund	39.5897
25% of balance amount to be retained by Director of Rural Development and Panchayat Raj for providing basic amenities in the Districts	9.8974
75% of balance 50% infrastructure Gap Filling Fund amount to be allocated to District Collectors based on population and the Collectors to utilize the funds for the same purpose	29.6923

3. In the letter 4<sup>th</sup> read above, the Director of Rural Development and Panchayat Raj has proposed guidelines for sanction and execution of work from the Infrastructure Gap Filling Fund vested with him as well as guidelines for sanction and execution of work from the Infrastructure Gap Filling Fund vested with the District Collectors.

4. The Government have carefully examined the proposal of the Director of Rural Development and Panchayat Raj and issue the following guidelines for utilizing Infrastructure Gap Filling Fund.

### **I. Guidelines for sanction and execution of work from the Infrastructure Gap Filling fund vested with the Director of Rural Development and Panchayat Raj**

The funds allocated to the Director of Rural Development and Panchayat Raj shall be utilized in consultation with the Secretary to Government, Rural Development and Panchayat Raj Department as follows:

1. The funds shall be utilised to undertake works towards creation of basic infrastructure only in rural areas.
2. The Director of Rural Development and Panchayat Raj should obtain detailed estimate and a certificate to the effect that sufficient land is available to execute the work along with the proposals from the District Collectors concerned.
3. The works sanctioned under this fund will be entrusted to District Collectors for implementation who shall execute these works through the Block Development Officer (Village Panchayats) or the Village Panchayat concerned as deemed fit. Appropriate tender procedure will be followed for execution of these works. No work shall be entrusted to line departments such as PWD, Highways, Agriculture Engineering, TWAD, etc. for execution. However installation of street light works can be entrusted to Tamil Nadu Electricity Board.
4. The funds will be released to the District Collectors immediately after sanction of works. The Collectors should submit the Utilisation Certificate to Director of Rural Development and Panchayat Raj on completion of work.
5. The Director of Rural Development and Panchayat Raj must complete the procedure of giving administrative sanction before the end of February. The balance unsanctioned amount available as on 1<sup>st</sup> March of the year will be distributed by Director of Rural Development and Panchayat Raj to the Village Panchayats as per 2001 Census along with the installment for the month of March of State Finance Commission grant to the Village Panchayats based on population.
6. The Secretary to Government, Rural Development and Panchayat Raj Department shall be authorized to modify any of the above provisions in consultation with Director of Rural Development and Panchayat Raj based on exigencies that may arise from time to time.

### **II. Guidelines for sanction and execution of work from the Infrastructure Gap Filling Fund vested with the District Collectors.**

1. The amount released to the Districts under infrastructure gap filling fund shall be kept in a separate bank account in the Assistant Director(Panchayats) Office and shall be operated by the District Collector.
2. This fund shall be used to take up infrastructure development works in rural areas
3. Works that are not permitted under MLACDS guidelines are also banned under this component. In addition individual beneficiary oriented works such as construction / repair of Group Houses which are specifically permitted under MLACDS are, however, not permitted to be taken up under Infrastructure Gap Filling Fund.
4. In order to give flexibility to the Collectors in the selection of works no minimum value is fixed for each work. However the Collectors should ensure that while sanctioning works they take up substantial works as far as possible and piece-meal works should be avoided. (e.g) If a road work is sanctioned, the entire length of the damaged road should be taken up instead of taking up only a stretch of the damaged road.
5. The District Collectors should obtain detailed estimates and a certificate to the effect that sufficient land is available to execute the work from the Block Development Officer concerned before according administrative sanction.

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6. The District Collectors shall entrust the execution of works to Block Development Officer (Village Panchayats) or the Village Panchayat concerned as deemed fit who shall execute the works following appropriate tender procedure. The works shall not be entrusted to line departments such as PWD, Highways, Agriculture Engineering, TWAD, etc. for execution. However installation of street light works can be entrusted to Tamil Nadu Electricity Board.
7. The District Collectors must complete the procedure of giving administrative sanction for works out of the amount and release the funds to the executing agency before the end of February. The balance unallocated amount available with the District Collector as on 1<sup>st</sup> March of the year, shall be transferred to the State Finance Commission Village Panchayat account and shall be released to the Village Panchayats along with the State Finance Commission grant for the month of March based on population.
8. The Collectors should submit the Utilisation Certificate to Director of Rural Development and Panchayat Raj after completion of the work.
9. The Secretary to Government, Rural Development and Panchayat Raj Department shall be authorized to modify any of the above provisions in consultation with Director of Rural Development and Panchayat Raj based on exigencies that may arise from time to time.

(By order of the Governor)

**K.ASHOK VARDHAN SHETTY**  
SECRETARY TO GOVERNMENT