



## **ABSTRACT**

State Finance Commission – Devolution Funds – Infrastructure Gap Filling Fund for 2009 – 2010 – Municipal Corporations and Municipalities – Release of fund – Orders – Issued

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### **MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA2) DEPARTMENT**

**G.O.(2D).No.17**

**Dated: 22 .3.2010**

**Read:**

1. G.O.Ms.No.199, Finance (FC IV) Department dated 25.5.2007
2. G.O.Ms.No 52 Municipal Administration and Water Supply Department dated 27.3.2008
3. G.O.Ms.No 46 Municipal Administration and Water Supply Department dated 29.3.2008
4. From the Director of Municipal Administration, Letter Roc. No. 39618/2009/LA3. dated 21.08.2009

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#### **ORDER:**

Based on the recommendations of Third State Finance Commission, the Government in the G.O. first read above have ordered that 42% share of Urban Local Bodies in the divisible pool of devolution grant shall be distributed to Municipal Corporations, Municipalities and Town Panchayats in the ratio of 30:41:29 respectively and Government shall set apart 3% towards Infrastructure gap filling fund and 2% for O&M gap filling fund from out of the share of each tier.

2. The Director of Municipal Administration in his letter 4<sup>th</sup> read above has stated that provision has been made in the B.E. 2009-10 for the Infrastructure gap filling fund and O&M gap filling fund for Municipal

Corporations and Municipalities as follows.

**Infrastructure gap filling fund**

<b>ULB</b>	<b>Amount</b>	<b>Head of Account</b>
Municipal Corporations	Rs. 13,46,03,000/-	3604-00-191-AB-0929
Municipalities	Rs. 18,39,57,000/-	3604-00-192-AE-0921

**Operational & Maintenance gap filling fund**

<b>ULB</b>	<b>Amount</b>	<b>Head of Account</b>
Municipal Corporations	Rs. 8,97,35,000/-	3604-00-191-AC-0927
Municipalities	Rs. 12,26,38,000/-	3604-00-192-AF-0929

The above allocation is to be distributed to the Urban Local Bodies, where fund is required for the creation of the following needy infrastructure facilities;-

**Types of works to be taken under Infrastructure Gap filling Fund**

- a) Water Supply Scheme
- b) Conversion of earthen road into B.T. / C.C. roads
- c) Construction of Bridges culverts and SWD etc.,
- d) Construction of office buildings.
- e) UGD Schemes
- f) Disaster management works
- g) Modernisation of Bus stand
- h) Modernisation of Canals running through the city / town
- i) Modernisation of parks
- j) Any other needy scheme which is essential for the development of the city / town

**Types of works to be taken under Operational & Infrastructure Gap filling Fund**

- a) Water Supply Scheme
- b) Maintenance of B.T. / C.C. roads
- c) Operation and Maintenance of Bridges, culverts and SWD etc.,
- d) Maintenance of Office buildings.
- e) Operation and Maintenance of Bus stands
- f) Maintenance of Canals running through the city / town
- g) Operation and Maintenance of parks
- h) Operation and Maintenance of any other item which is essential for the development of the city / town

3. The Director of Municipal Administration has further stated that financially weaker ULBs which lack infrastructure facilities and are unable to meet out the expenditure from their own sources will be selected for execution of works/schemes. Apart from this, financial assistance will also be provided for the ULBs which have taken up major infrastructure works and are in need of funds.

4. The Director of Municipal Administration has also stated that the Committee constituted in the G.O. second read above may accord approval for the projects / schemes to be undertaken from out of the above funds and the amount to be drawn shall be credited to the P.D. account viz. "Tamil Nadu Urban Infrastructure Development and Renewal Fund" (P.D. A/c No. 01G03099750 BQ) maintained by the Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO) and the said Corporation shall release the funds to the Urban Local Bodies as per the decision of the Infrastructure and O & M Gap filling Fund Committee and as was done last year.

5. The Director of Municipal Administration has therefore requested the Government to sanction the amount allocated for infrastructure gap filling fund and Operational and Maintenance gap filling fund to ULBs as stated in Para 2 above

6. But, in the R.E 2009-10, the provisions for Infrastructure gap filling fund and O&M gap filling fund have been modified as indicated below:

**Infrastructure gap filling fund**

<b>ULB</b>	<b>Amount</b>	<b>Head of Account</b>
Municipal Corporations	Rs. 12,50,83,000/-	3604-00-191-AB-0929
Municipalities	Rs. 17,09,47,000/-	3604-00-192-AE-0921

**Operational & Maintenance gap filling fund**

<b>ULB</b>	<b>Amount</b>	<b>Head of Account</b>
Municipal Corporations	Rs. 8,33,89,000/-	3604-00-191-AC-0927
Municipalities	Rs. 11,39,65,000/-	3604-00-192-AF-0929

Further, the Infrastructure and O&M Gap filling fund committee has also met on 18.01.2010 and selected the works to be taken up by the ULBs

7. The Government after careful examination of the proposal of the Director of Municipal Administration sanction and release the fund set apart i.e 3% towards Infrastructure gap filling fund and 2% for Operation and

Maintenance gap filling fund out of the share of each tier of Urban Local Bodies from State Finance Commission devolution to the Municipal Corporations and Municipalities through the Director of Municipal Administration under the following heads of account:-

**Infrastructure Gap Filling Fund**

**Municipal Corporations Rs. 12,50,83,000/-** (Rupees twelve crore fifty lakh and eighty three thousand only)

3604-00 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions – 191 – Assistance to Municipal Corporations – 1-Non – Plan – AB Contribution to the infrastructure Gap Filling Fund – 09 – Grants – in – aid-02 – Grants for Capital Expenditure (DPC No. 3604 – 00 – 191 – AB – 0929)

**Municipalities : Rs. 17,09,47,000/-** (Rupees seventeen crore nine lakh and forty seven thousand only)

3604-00 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions – 192 – Assistance to Municipalities / Municipal Councils – 1-Non-Plan – AE – Contribution to the infrastructure Gap Filling Fund – 09 – Grants – in- aid – 02 – Grants for Capital Expenditure (OPC No. 3604-00-192-AE-0921)

**Operation and Maintenance gap filling fund:**

**Municipal Corporations: Rs. 8,33,89,000/-** (Rupees eight crore thirty three lakh and eighty nine thousand only)

3604 – 00 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions – 191 – Assistance to Municipal Corporations – 1-Non-Plan – AC – Contribution to the Operational and Maintenance gap filling fund – 09 – Grants – in-aid-02-Grants for Capital Expenditure (DPC No. 3604-00-191-AC-0927)

**Municipalities : Rs. 11,39,65,000/-** (Rupees eleven crore thirty nine lakh and sixty five thousand only)

3604-00 Compensation and Assignment to Local Bodies and Panchayats Raj Institutions – 192 – Assistance to Municipalities / Municipal Councils – 1-Non – Plan – AF - Contribution to the Operational and Maintenance Gap filling fund – 09 – Grants – in – aid – 02 – Grants for

Capital Expenditure (DPC No. 3604 – 00-192 – AF – 0929)

8. The Infrastructure gap filling fund and Operation and Maintenance gap filling fund shall be distributed to the Municipalities / Municipal Corporations to carry out the works selected by the Infrastructure and Gap Filling Fund committee.

9. The Director of Municipal Administrations is authorized to draw the amount sanctioned in Para 7 above and credit to the P.D. account viz. "Tamil Nadu Urban Infrastructure Development and Renewal Fund" (P.D. A/c No. 01G03099750 BQ) maintained by the Tamil Nadu Urban Finance and infrastructure Development Corporation Limited for releasing the same to the ULBs for the works selected by the Infrastructure and O&M Gap Filling Fund Committee

10. This order issues with the concurrence of Finance Department vide its U.O. No. 10935/Finance (MAWS)/ 2010-1, dated 19.3.2010.

**(BY ORDER OF THE GOVERNOR)**

**NIRANJAN MARDI,  
SECRETARY TO GOVERNMENT.**

To

The Director of Municipal Administration, Chennai – 5.

The Commissioner, Corporation of Chennai, Chennai – 3.

The Chairman and Managing Director, TUFIDCO, Chennai – 36.

The Pay and Accounts Officer (East), Chennai – 5 (2 Copies)

The Accountant General, Chennai – 18.

The Accountant General, Chennai – 35.

**Copy to ;** The Finance (MAWS/FC-IV/W&MI) Department, Chennai-9.

The MAWS (OP 2 / Budget) Department, Chennai-9.

**/ Forwarded by Order/**

**SECTION OFFICER**