



ABSTRACT

State Finance Commission – Devolution Funds – Infrastructure Gap Filling Fund
- Municipal Corporations and Municipalities – Release of fund – Orders –
Issued.

MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA.II) DEPARTMENT

G.O.(2D)NO. 46

DATED 29.3.2008

READ:

1. G.O.Ms.No.199, Finance (FC.IV) Department, dated 25.5.2007.
2. G.O.(D) No.289, Municipal Administration and Water Supply Department, dated 27.6.2007.
3. G.O.(D) No.103, Municipal Administration and Water Supply Department, dated 13.3.2008.
4. From the Commissioner of Municipal Administration, Letter Roc No.49632/2007/LA3, dated 11.9.2007.
5. From the Commissioner of Municipal Administration, Letter Roc No.49632/2007/LA3, dated 23.11.2007.

ORDER:

In the G.O. second read above orders were issued for sanction and release of State Finance Commission Devolution grant of Rs.554,22,51,430.00 (Rupees Five hundred and fifty four crores twenty two lakhs fifty one thousand and four hundred thirty only) for Municipalities and Municipal Corporations i.e., to the Urban Local Bodies in 10 instalments on monthly basis from April 2007 to January, 2008.

2. In the G.O. third read above, orders were issued for the release of State Finance Commission Devolution grant of Rs.221,69,00,570/- (Rupees Two hundred and twenty one crore sixty nine lakhs and five hundred and seventy only) for the month of February, 2008 and March, 2008.

3. The Commissioner of Municipal Administration in his letters read above has stated that provision has been made in the B.E. 2007-08 for the infrastructure gap filling fund and Operation and Maintenance gap filling fund for Municipal Corporations and Municipalities as follows:-
Infrastructure Gap Filling Fund:

| ULB | Amount | Head of Account |
|------------------------|-------------------|----------------------|
| Municipal Corporations | Rs.10,35,32,000/- | 3604-00-191-AB-0929. |
| Municipalities | Rs.14,14,94,000/- | 3604-00-192-AE-0921 |

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:-

- 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.

Operational and Maintenance Gap filling fund

| ULB | Amount | Head of Account |
|------------------------|------------------|----------------------|
| Municipal Corporations | Rs.6,90,22,000/- | 3604-00-191-AC-0927. |
| Municipalities | Rs.9,43,29,000/- | 3604-00-192-AF-0929 |

The above allocation is to be distributed to the Urban Local Bodies, where fund is required for the O & M of the following needy infrastructure facilities:-

- a. Water Supply Schemes
- 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 & Maintenance of Bus Stands.
- f. Maintenance of Canals running through the city / town.
- g. Operation & Maintenance of parks.
- h. Operation & Maintenance of any other items which is essential for the development of the city / town.

4. The Commissioner 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 source, will be selected for execution of works / schemes. Apart this, financial assistance will also be provided for the ULBs, which have taken major infrastructure works and are in need of fund. Further it is felt that the distribution of the infrastructures gap filling fund to all ULBs. may not give any visible / desired result. Therefore, this infrastructure gap filling fund shall be utilized for the execution of urgent / useful and purposeful works in selected ULBs. Similarly financially weaker Urban Local Bodies, which require fund for O & M facilities and are unable to meet out the expenditure from their own source, will be selected depending upon the nature of works.

5. The Commissioner of Municipal Administration has therefore requested that the amount allocated for infrastructure gap filling fund and Operational and Maintenance gap filling fund may be sanctioned to ULBs as stated in para 3 above.

6. The Government after careful examination of the proposal of the Commissioner 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 Commissioner of Municipal Administration under the following heads of account:-

Infrastructure Gap Filling Fund:

Municipal Corporations: Rs.10,35,32,000/-

3604-00 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions -191 -Assistance to Municipal Corporations - I-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.14,14,94,000/-

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

Operation and Maintenance gap filling fund

Municipal Corporations: Rs.6,90,22,000/-

3604-00 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions -191 -Assistance to Municipal Corporations - I-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.9,43,29,000/-

3604-00 Compensation and Assignments to Local Bodies and Panchayats Raj Institutions -192 -Assistance to Municipalities / Municipal Councils - I-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).

7. The Infrastructure gap filling fund and Operation and Maintenance gap filling fund shall be distributed to selected Municipalities / Municipal Corporations for the purpose mentioned in para 3 above following the guidelines mentioned in para 4 above.

8 The Government in G.O. (Ms).No.52. Municipal Administration and Water Supply Department, Dated 27.3.2008, has constituted an Infrastructure and O & M Gap Filling Fund Committee to accord approvals for the proposals under the Infrastructure and O & M Gap Filling Funds. The Commissioner of Municipal Administration is requested to place necessary proposals to the Committee for approval of the grants under these funds.

9. The Commissioner of Municipal Administration is authorized to draw the amount sanctioned in para 6 above and credit to the P.D account maintained by the Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited. Tamil Nadu Urban Finance and Infrastructure Development Corporation will release Funds to the Urban Local Bodies as per the decision of the Infrastructure and O & M Gap Filling Fund Committee.

10. This order issues with the concurrence of Finance Department vide its U.O.No.18962/MA&WS/2008, dated 29.3.2008.

(By ORDER OF THE GOVERNOR)

K.DEENABANDU,
SECRETARY TO GOVERNMENT.

To

The Commissioner of Municipal Administration, Chennai-5.

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) Department, Chennai-9.

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

The Chairman, Managing Director, TUFIDCO, Chennai-32.

/FORWARDED BY ORDER/

Prick
13/3/08
SECTION OFFICER