

Guidelines on Special Development fund for MLAs- Government
Order from Finance (Nodal Centre) Department

GOVERNMENT OF KERALA

Abstract

FINANCE DEPARTMENT- SPECIAL DEVELOPMENT FUND FOR MLA'S GUIDELINES ON SCHEME, CONCEPT,
IMPLEMENTATION AND MONITORING -SANCTIONED-ORDERS ISSUED

FINANCE (NADAL CENTRE) DEPARTMENT

G.O. (P) No. 1234/2001/Fin.

Dated, Thiruvananthapuram, 29th October, 2001

Read : Budget Speech of Finance Minister on 13-7-2001.

ORDER

It was announced in the Budget Speech on the 13th of July 2001 that a Special Development Fund would be constituted in the State on the pattern of M.P. Local Area Development Scheme for the MLAs'. It was also announced that a total amount of Rs.35 Crores would be set apart for schemes selected by the MLAs at the rate of Rs. 25 lakhs (Twenty Five lakhs) per MLA per year.

2. Accordingly, Government have now formulated the scheme and are pleased to approve the guidelines at annexure to this Government Orders for its implementation.

By order of the Governor,

DR. K. M. ABRAHAM,
Secretary (Finance Resources)

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram
The Accountant General (A & E), Kerala, Thiruvananthapuram.
The Principal Secretary to Chief Minister (with C.L)
The Private Secretary to Speaker (With C.L)
The Private Secretary to Deputy Speaker
The Private Secretary to Ministers
All MLAs.
All Secretaries to Government
All District Collectors
The Director of Treasuries
The Director of Public Relations
All Heads of Departments.
All District Treasury Officers
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GOVERNMENT OF KERALA

Special Development Fund for MLA's Guidelines on Scheme Concept, Implementation and Monitoring

THE SCHEME

The Finance Minister on the 13th of July 2001 has announced in his Budget Speech that a 'Special Development Fund for M.L.As' will be constituted in the State. Under this Scheme, each M.L.A will have the choice to suggest developmental activities to the tune of Rs. 25 lakh per year to be taken up in his/her Constituency. Nominated members of the Legislative Assembly will also have the right to do so. Each M.L.A will give a choice of activities to be taken up, to the District Collector under whose jurisdiction the Constituency of the M.L.A falls. The District Collector in turn will forward it to the concerned departmental authorities for preparation of Estimates. The departmental authority will prepare necessary estimates etc. and forward them to the District Collector. Thereafter, the District Collector will forward it to the Finance Department with his recommendations, for Administrative sanction. (Please see modification by GO (P)No: 60/2002/Fin Dated 18.1.2002)

'The projects taken up under this scheme shall be developmental in nature based on locally felt needs. The emphasis will be on creation of durable assets. Funds provided under the scheme shall not be used for revenue expenditure. "The funds can also be used for purposes such as provision of service support facilities. However, they will not include any recurring expenditure like expenditure on staff and to maintain such facilities.

It will also be appropriate if the scheme funds are used for partly meeting the cost of a larger project like for example for partly meeting the cost of a micro-hydel project only in case it would result in completion of the works. Where such part costs are met under this Para, it should be with reference to clearly identifiable part of the work.

Sometimes execution of work, by their very nature, may span into more than one year. In such circumstances, funds under the scheme could be made available to the executing agency either in advance or over more than one year phasing or execution of work being clearly kept in view.

The site selected for execution of the work by the M.L.A shall not be changed except with the concurrence of the M.L.A himself.

It should not be insisted that the land selected for execution of works should necessarily be Government land. It can be land surrendered by Corporation/Municipal/Panchayat bodies, private trusts, and private individuals, etc, The only care that needs to be taken is that the institution or the person surrendering the land has the title over it to so surrender. The District Collector should ensure that within the quickest possible time, the surrendered transferred land is relinquished under the local land relinquishment laws Locally recognized practices such as surrender of lands as per "No Objection Certificates" may also be considered adequate so long as they are legally valid and the assets created on the land shall be available for public use for which they were created.

An illustrative list of works that may be taken up under the scheme is given as Appendix I. A list of works, which shall not be allowed under the scheme, is given as Appendix 2.

Payment of advances of any type to the contractors/ suppliers under any work falling within his scheme is prohibited.

The District Collector should ensure that provision for maintenance and upkeep of the projects to be taken up under this Scheme is forthcoming from the concerned local body or other agency concerned

SANCTION AND EXECUTION OF WORKS

In identifying and selecting projects and giving administrative sanction for the same, the concurrence of the Member of Legislative Assembly should be obtained. Normally, the advice of the M.L.A should prevail unless it be for technical reasons such as land selected for work not being suitable for execution etc. Where the District Collector considers that a project suggested by an M.L.A cannot be implemented, he should send a comprehensive report with reasons to the M.L.A under intimation to the Finance Department.

As far as possible all sanctions for projects should be accorded within 45 days from the date of receipt of proposal from concerned M.L.A.

So far as administrative and technical sanction are concerned, decision making should be at the district level. If need be for the purpose of implementation of this scheme, full and final powers should be delegated to the District technical and administrative functionaries.

In case a constituency falls in more than one district, the Finance department shall make the required funds available to the other concerned district (s) in keeping with the M.L.A's choice so that the District Collector(s) could implement the projects suggested by the M.L.A in his/ her district (s).

Since the projects under this scheme would be implemented by different State Government agencies such as PWD, Rural Development, Irrigation, Agriculture, Health, Education, Area Development Authorities, Water Authority, Housing Board etc. the Finance Department would be responsible for the co-ordination and overall supervision of the projects under this scheme, The implementing agencies may not collect any administrative charges, Centage charges etc. for their services of preparatory work, implementation, and supervision, etc.

The Finance department would have the nodal responsibilities for this scheme at the State level. The Finance department will issue general instructions to all the planning and implementing agencies at the State/ District level to co-operate, assist and to implement the project referred to them under this scheme.

The normal financial and audit procedures would apply to implementation of all projects under this scheme subject to these guidelines.

Allocation per year under this scheme is for the constituency. Though there may be changes in the M.L.A representing a constituency, whatever may be the reason for such change, the allocation being for the constituency, continuity of action in implementing projects under this scheme should be maintained. The Finance department should play a co-ordinating role in this regard between the past and the present M.L.A and the implementing agency concerned.

When there is a change in the M.L.A for whatever reason it may be, the following principle should be followed, in executing projects.

If the project identified by the predecessor M.L.A is under execution, it should be completed.

If the project identified by the predecessor M.L.A, is pending sanction due to administrative reasons beyond a period of 60 days from the date on which advice was received for taking up the project, it should also be executed provided the project is otherwise as per norms.

If the predecessor M.L.A had identified the project, but it was not taken up for execution because of reasons other than mentioned in the preceding sub-para, it could be executed subject to the confirmation of the successor M.L.A.

RELEASE OF FUNDS

Ideally it would be desirable that the M.L.As suggest individual projects costing not more than Rs. 10 lakh per project. However this limit should not be too rigidly construed. Amounts above Rs. 10 lakh per work can be spent depending upon the nature of the project. (For example a single check dam to provide minor irrigation or water supply or a sports stadium may cost more than Rs. 10 lakh. In the case of such projects higher amount can be legitimately spent subject to the maximum limit of Rs. 25 lakh per year/ per MLA)

Funds shall be released to the implementing agencies under the recommendation of the District Collector as and when it becomes necessary. The funds released by the State government under the scheme would be nonlapsable. Funds released in a particular year , if they remain unutilised can be carried forward to the subsequent year without detracting from the allocation of Rs. 25 lakh per year per constituency. However release of funds will be made with reference to actual progress achieved in expenditure and execution of project. In other words, funds would be available in the budget to the extent of Rs. 25 lakh per M.L.A and projects will not suffer for want of provision. At the same time releases will be regulated according to progress. For example if out of Rs. 25 lakh for a constituency in a year, Rs. 20 lakh is spent, the balance of Rs. 5 lakh can be carried over for the year when this amount together with fresh allocation of Rs. 25 lakh (total Rs. 30 lakh) would be the entitlement of the year and could be spent. But actual physical release of funds will be with reference to the amount expected to be spent. It should be seen however that unspent amounts do not accumulate into huge entitlements.

The release of funds by the Finance department will be done three times year on the basis of the physical and financial progress of the projects under implementation and further requirement of funds for projects.

At the time of release of funds, the Finance department in consultation with the District collectors will make an assessment of the funds required to complete the ongoing projects. Such requirement of funds will be met first and then only the balance allocation will be considered for new projects. The eligibility for the release of an instalment in respect of an M.L.A will be decided on the basis of information furnished by the District Collector in the format placed at Appendix-3. Copies of which will be sent by the District Collector to the concerned M.L.A.

Funds for individual project should be promptly released. 50% of the cost of the project can be released in the first instalment itself, the balance of 50% will be released according to the progress in implementation. Release of instalment will be made after full utilisation of the funds already released.

In case the M.L.A is not interested in utilising the funds, The District Collector will report the matter to Finance Department and arrange to refund the amount to Government.

Funds released under this scheme shall be deposited in Treasuries only. Interest will not accrue on such deposits.

MONITORING ARRANGEMENTS

The District collectors shall visit and inspect at least 20% of these projects every year. Similarly it should be the responsibility of the senior officers of the implementing agencies of these

projects to regularly visit the project spots and ensure that the projects are progressing satisfactorily as per the prescribed procedures and specifications. The District Collector/Implementing agencies should also involve the M.L.A.s in such inspections and monitoring to the maximum extent feasible. They should also furnish monitoring reports once in two months to the M.L.A.s and the Finance Department. A schedule of inspections, which prescribes the minimum number of field visits, the Finance Department will draw up for each supervisory level functionary of the implementing agencies.

The Finance Department will concurrently monitor the progress of the implementation of the projects.

The Finance Department from time to time within the framework of the scheme would decide monitoring formats and other issues of details relevant to this scheme.

The District Collectors should also communicate information on the progress of projects under this scheme to the Finance Department. Copies of such reports shall also be forwarded to the M.L.A.s.

The Principal Secretary (Finance) will conduct a meeting involving the District Collectors and M.L.A.s to assess the progress of the projects under this scheme at least once in a year.

GENERAL

In order that local people become aware of those particular projects that have been executed with M.L.A.s Special Development Fund, sign boards carrying the inscription "M.L.A.s Special Development Fund Project" with the name of the M.L.A., may be prominently erected at the sites.

In execution of works, M.L.A.s may face special problems/ situations not envisaged and covered under these guidelines. Such cases may be taken up with the Finance Department for suitable clarification.

APPENDIX I

ILLUSTRATIVE LIST OF PROJECTS THAT CAN BE TAKEN UP UNDER 'MLAS SPECIAL DEVELOPMENT FUND'

- (i) Construction of buildings for Schools, Hostels, Libraries and other buildings of educational institutions belonging to Government or Local bodies.
- (ii) Construction of tube-wells and water tanks for providing water to the people in villages, towns or cities or execution of other works, which may help in this respect.
- (iii) Construction of roads including part roads, approach roads, link roads etc. in villages, towns and cities. Very selectively Kutcha roads can also be constructed where the MLA concerned and the District Collector agree to meet the locally felt need.
- (iv) Construction of culverts/bridges on the roads of above description and of open cut or tube wells.
- (v) Construction of common shelters for the old or handicapped,
- (vi) Construction of buildings for local bodies or recognised District/ State Sports Associations and for cultural and sports activities or for hospitals. Provision of multi-gym facilities in gymnastic centres, sports associations, physical education training institutions etc. is also permissible.
- (vii) Desalting of ponds in villages, towns and cities.
- (viii) Construction of public irrigation and public drainage facilities.
- (ix) Construction of common Gobar gas plants, non-conventional energy system/devices for community use and related activities.

- (x) Construction of irrigation embankments, or lift irrigation or water table recharging facilities.
- (xi) Construction of Public libraries and Reading rooms
- (xii) Construction of Creches and Anganwadis.
- (xiii) Construction of public health care buildings, including family welfare sub centres together with ANM residential quarters.
- (xiv) Construction of Crematoriums and structures on burial/cremation grounds.
- (xv) Construction of public toilets and bathrooms.
- (xvi) Construction of drains and gutters.
- (xvii) Construction of footpaths, pathways and footbridges.
- (xviii) Provision of civic amenities like electricity, water, pathways, public toilets etc. in slum areas of cities, towns and villages and in SC/ST habitations, provision of common work sheds in slums and for artisans.
- (xix) Construction of Residential schools in tribal areas.
- (xx) Construction of Bus sheds/ stops for public transport passengers.
- (xxi) Construction of Veterinary aid centres, artificial insemination centres and breeding centres.
- (xxii) Procurement of hospital equipments like X-ray machines ambulances for Government hospitals, and setting up of mobile dispensaries in rural areas by Government/ Panchayat institutions.
- (xxiii) Electronic Projects :
Computer in education project of High School/ College. Information footpath.
- (xxiv) Purchase of Audio- Visual aids of educational nature for Government institutions provided there is proper place and proper provision for safe custody of these aids.
- (xxx) Purchase of Night Soil Disposal System for Local bodies.

APPENDIX 2

LIST OF WORKS NOT PERMISSIBLE UNDER MLAs SPECIAL DEVELOPMENT FUND

1. Office buildings, residential buildings, and other buildings relating to Central or State Governments, Departments, Agencies or Organisations.
2. Works belonging commercial organisation, trusts, registered societies, private institutions or co-operative institutions.
3. Repair and maintenance works of any type other than special repairs for restoration/up-gradation of any durable asset.
4. Grant and loans.
5. Memorials or memorial buildings.
6. Purchase of inventory or stock of any type.
7. Acquisition of land or any compensation for land acquired.
8. Assets for all individual benefits, except those, which are part of approved schemes.
9. Places for religious Worship.
10. Construction/ Maintenance of aided/ unaided educational institutions.

APPENDIX 3

**FORMAT FOR THE PURPOSE OF RELEASE OF FUNDS UNDER
SPECIAL DEVELOPMENT FUND FOR MLAs**

**Statement of expenditure under special development fund
(Upto date)**

Name of the District :
Name of the Constituency :
Name of the M.L.A :
Name of the Nodal District :
Address :

1. Total Funds received for the Constituency	Period	Fund received (Rs. Lakh)
(a) Funds received from the State Government	2001-2002	
	2002-2003	
	2003-2004	
	2004-2005	
	2005-2006	
Total		

- | | | |
|---|--------------|-------------------|
| 2. Total number and cost of works recommended: | No. of works | Estimated cost |
| 3. No. and cost of works sanctioned on recommendation of : | No. of works | Amount sanctioned |
| 4. Total unsanctioned balance available with the Constituency | | |
| 5. Total number of works completed in the Constituency | | |
| 6. Total number of wroks started but not completed | | |
| 7. Totak actual expenditure | | |

Date : _____ Signature of the District Collector

Copy to

Sri/Smt

Legislative Assembly.