



GOVERNMENT OF KERALA

**Abstract**

FINANCE DEPARTMENT—SPECIAL DEVELOPMENT FUND FOR MLAs—GUIDELINES FOR IMPLEMENTATION OF SCHEMES UNDER THE FUND—MODIFICATION—ORDERS ISSUED

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FINANCE (NODAL CENTRE) DEPARTMENT

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**G. O. (P) No. 112/2007/Fin. Dated, Thiruvananthapuram, 15th March, 2007.**

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*Read:—* G. O. (P) No. 247/2004/Fin. dated 27-5-2004.

**ORDER**

In Kerala, the Local Self Government Institutions are permitted to utilize the assistance from the Rural Infrastructure Development Fund (RIDF) of the NABARD for implementation of various road/construction activities. About 80% of the cost will be re-imbursed by NABARD to the State Government as loan and the State Government has to repay the loan with interest. Government have permitted the Panchayat Institutions to undertake works utilizing the RIDF fund on condition that the Panchayats will bear the balance 20% of the project cost.

2. Proposals have been received from the MLAs to permit utilization of Special Development Fund for MLAs to meet 20% Share of the Panchayat Institutions on the total project cost of the RIDF project, as the Panchayat institutions are not financially sound enough to meet their share for implementation of the projects.

3. The guidelines for the Special Development Fund for MLAs do not permit utilization of the Fund for RIDF works.

4. In the circumstances, in partial modification of the Government Order read above, Government are pleased to order that Special Development Fund for

MLAs can be utilized for meeting 20% of the project cost of RIDF works which the Panchayat have taken up for implementation subject to the following conditions:

- (i) Works should be judiciously identified by the MLA and the Panchayat. It should be backed by a Panchayat resolution.
  - (ii) The total share from the Special Development Fund for MLAs shall not exceed 20% of the project cost and
  - (iii) As soon as the agreement is signed for execution of the work, payment from Special Development Fund for MLAs towards MLAs' share will be transferred to the Panchayat account.
5. The following procedures shall be followed:
- (i) The usual procedures for getting the project proposal approved by NABARD should be followed first. For this purpose, the Panchayat has to draw up the project proposal using the latest Schedule of Rates with the approval of the District Planning Committee and issue in-principle approval. Based on that, Technical Sanction will be issued and detailed estimates will be prepared. Then the proposal will be forwarded to the Finance (NC) Department through the Administrative Department for recommending to the NABARD. After getting NABARD's sanction and after getting approval of the MLA concerned for utilization of the Special Development Fund for MLAs to meet up to 20% of the total project cost, the District Collector will be addressed for sanction of fund for this 20% share from Special Development Fund for MLAs.
  - (ii) The District Collector will then issue an in-principle sanction for utilization of fund from the Special Development Fund for MLAs, after getting the consent of the MLA, for the project indicating total project cost, share of NABARD, share from Special Development Fund for MLAs, and the share of the Panchayat concerned.
  - (iii) Thereafter, on receipt of sanction from the District Collector, formal Administrative Sanction for the entire project will be issued by the concerned panchayat and will take further steps for execution of the work.
  - (iv) As soon as the agreement is signed for execution of the work, the Panchayat should propose for release of the proportionate share from the Special Development Fund for MLAs to the District

Collector concerned. The amount sanctioned will be proportionate to the share of Special Development Fund for MLAs to the total project cost or the amount agreed to by the MLA concerned whichever is less. The fund will be allotted to the Panchayat by way of Demand Draft.

- (v) Any cost escalation while implementing the project will be met by the Panchayat concerned and not from the Special Development Fund for MLAs.
- (vi) The work will be executed by the Panchayat meeting the remaining expenditure initially from the Plan Fund, Maintenance Grant or from the Own Fund of the Panchayat concerned. Thereafter, the Panchayat will submit reimbursement claim for the eligible share of assistance from the NABARD through LSGD/CRD and Finance (NC) Department.
- (vii) Separate instructions will be issued regarding the account to which the proceeds of the Demand Draft received from the District Collector (i.e. from the Special Development Fund for MLAs) will be credited.
- (viii) A project completion report will be furnished to NABARD (through Finance Department) and the District Collector concerned.

By order of the Governor,

K. JOSE CYRIAC,  
*Principal Secretary (Finance).*

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.  
 The Accountant General (A&E), Kerala, Thiruvananthapuram.  
 All Members of Legislative Assembly.  
 All Principal Secretaries/Secretaries to Government.  
 All Head of Departments.  
 All District Collectors.  
 The Director of Public Relations.  
 The Principal Secretary to the Chief Minister.  
 The Private Secretary to the Speaker.  
 The Private Secretary to the Deputy Speaker.  
 The Private Secretary to Ministers.  
 The Chief General Manager, NABARD.  
 The Director of Panchayats.  
 Office Copy/Stock File.

## ANNEXURE

1. Name of Panchayat
2. Name of project and year
3. Name and date of DPC approval
4. Number and date of Order of the District Collector sanctioning Fund from Special Development Fund for MLAs.
5. Total Project cost approved by NABARD
6. NABARD's Share
7. Name of MLA allotted the Fund and Share from Special Development Fund for MLAs
8. Actual amount spent by the Panchayat for the Project
9. Date of commencement of the Work
10. Present stage of the Project (whether fully completed if not specify the percentage of the work done)
11. Source of fund from which the expenditure was initially met (specify Plan Fund/Maintenance Grant/Own Fund)

## CERTIFICATE

Certified that the advance now claimed from Special Development Fund for MLAs for the above mentioned work will not exceed 20% of the project cost or the amount allotted by the MLA whichever is less and no other claims from any other source on this account will be claimed.

(Sd.)

*Competent Authority.*

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