

**RULES AND PROCEDURES FOR SANCTION OF FUNDS
UNDER THE SCHEME OF SPECIAL PROBLEM FUNDS-2003**

Objectives:

The scheme of “Special Problem Funds” has been introduced in the State during the year 1997-98. The scheme aims at taking up small and essential projects of local importance involving special nature of problems in the absence of which the development process will remain incomplete. For example, works of the nature of providing missing links to the existing development infrastructure as well as repair modernization and expansion works particularly for purposes of improvement of existing educational institutions both Government as well as Private, roads, culverts, bridges, embankments, public religious places, cultural organizations as well as construction of new projects which will contribute to the overall development of community and well-being of the general public for which funds are not available otherwise, can be taken up through funds under the scheme.

Provision of Funds:

Funds for the scheme of “**Special Problem Funds**” shall be provided in the State Plan budget of the Planning and Co-ordination Department in the form of grant-in-aid each year. The rules and procedures laid down here under shall be applicable to sanction and utilization of funds under the scheme provided in the State budget from 2003-04 and onwards. However, these rules and procedures shall also apply to the unutilized balance of the previous year’s sanction under the scheme for which no work orders have been issued so far due to some reason or other.

Admissibility:

A project shall be considered admissible for sanction of grant-in-aid under the scheme if :

- (i) It is a project of developmental nature.
- (ii) It comes under district sector schemes / subjects.
- (iii) It does invite recurring expenditure.
- (iv) It creates useful community asset and benefits the community at large.
- (v) It preserves and renovates ancient monuments and religious institutions belonging to the public.
- (vi) It is a programme of preventive, curative, protective and / or productive in nature.

Inadmissibility:

A project shall be considered inadmissible for sanction of grant-in-aid under the scheme if :

- (i) It is a programme of non-developmental nature or inconsequential for well being of the community.
- (ii) It is covered under State / Central sector schemes / projects under implementation.
- (iii) It creates liabilities for the future.
- (iv) It benefits an individual and not the public at large.
- (v) A construction work is taken up on a land not owned by the public / a land under dispute / a land of different kissam.
- (vi) It is a project belonging to a professional / business association or religious organization except renovation / reconstruction of ancient monuments / religious institutions.
- (vii) The grant-in-aid is proposed to be utilized for construction of office buildings / staff quarters, purchase of furniture / vehicles / equipments / books / stationery / expenditure on repair and maintenance / entertainment activities, etc.
- (viii) It is a proposal involving contingent expenditure / a proposal for discharge of financial liabilities already incurred.

Illustrative List:

A list of projects admissible under the scheme and another inadmissible are appended to these Rules vide *Annexure I*. These lists are only illustrative but not exhaustive. Due care shall therefore be taken in selecting a project so as to achieve the ultimate objectives of the scheme.

Financial Limit:

Keeping in view the meager resource position of the State and small budgetary provisions, the maximum ceiling limit for a project under the scheme has been fixed at Rs.10.00 lakh. However, Government may relax this ceiling limit in exceptional cases.

Selection of Projects:

Hon'ble Ministers, MLAs, other public representatives, Very Senior Officers of the State Government and the District Collectors may recommend projects involving special nature of problems based on their field visits and interaction with the local public to be taken up under the scheme. All such project proposals received in the Planning and Co-ordination Department shall be examined, Plan & Estimate obtained from competent authority empowered to sanction and projects conforming to the guidelines shall be short listed indicating the details of the projects, the amount proposed and the recommending authority. The short list alongwith the plans and estimates obtained from competent authorities shall be placed before the Government for their prioritization and approval.

Sanction and Release of Funds:

Once the priority list of projects is approved by the Government, the projects in order of their priority shall be sanctioned keeping in view the provision of funds available under the scheme in the State budget. Requisite funds relating to such of the projects pertaining to a district shall be released to the District Rural Development Agency (DRDA) of that district / other Government Departments / Govt. Agencies. However, release of funds in respect of projects costing more than RS. 10.00 lakhs shall be made in instalments from the State level keeping in view the resource position of the State. The Project director, DRDA shall draw the amount in grant-in-aid bill with the counter-signature of the District Collector and keep the same necessarily in PL account of the DRDA.

Executing Agency:

As soon as the sanction order is received from Government, the District Planning Officer shall follow the established procedures of the State Government, process the proposals, select the executing agencies and issue work orders in their favour with the approval of the Collector.

For projects located in rural areas, the procedure followed by DRDAs shall be followed which lays down that executants shall be selected by the Panchayat. However, Panchayat has to keep these guidelines in view in selecting an executant. Established procedures of the Government shall be followed when execution of a project is entrusted to an organisation under a line Department. However, for projects / works covering more than one district, their execution shall be entrusted to an appropriate agency / Department to which the property belong by the Planning and Coordination Department.

As regards work / Projects relating to urban areas priority would be given to urban local bodies. On their recommendations, such works can be entrusted to Government line Departments or to a registered non-Governmental agency having adequate professional expertise, proven track record.

Non-governmental bodies / Institutions will also be eligible to receive this grant subject to fulfillment of the criteria of eligibility. They shall be entrusted with execution of simple type of projects / works subject to the modalities and procedures prescribed by the Government in P&C Department from time to time. The Managing Committees of the concerned institutions can be entrusted with the execution of such works. When no such agency is available, other Government Agencies may be considered as executants to be decided by Govt. in Planning & Coordination Department. Besides, projects involving special technical know-how and / or requiring sophisticated equipments for its execution may not be entrusted to any non-Governmental institutions. While entrusting a work to a non-Governmental institution, due care has to be taken to ensure fairness and transparency in expenditure and accountability to Government.

In the event of such projects being executed by any NGO, the procedure for execution will be according to their-established rules and principles, subject to transparency and accountability and verification by Government agency. The voluntary organisation shall execute an agreement in the proforma that would be prescribed by Government in P.R & P.C Departments.

All the work / Projects executed by any agency will be subject to strict supervision / monitoring by Government and District Level Officers.

Utilization of Funds:

The Project Director, DRDA shall release requisite funds in favour of the executing agencies in phased manner depending on the progress of work. The executing agency has to furnish quarterly progress reports to the DRDA as well as to the District Planning Office for effective monitoring of the progress of work

Prorata Charges:

Execution of projects / works under the scheme of Special Problem Funds through different agencies and through organizations under the state Government shall be exempted from payment of prorata charges.

Accounting Procedure:

The amount of grant-in-aid kept in the PL Account of the DRDA shall be released to the executing agencies in phased manner in accordance with the progress of work . On completion of projects, the DRDA will collect the utilization certificates from the executing agencies and furnish the same to the Accountant General (A&E) Orissa with the counter-signature of the Collector under intimation to the District Planning Officer and the Planning and Coordination Department. A separate account of the receipt, utilisation and related aspects of the funds received under the scheme of Special Problem Funds shall be maintained by the DRDA and made available for inspection of higher authorities.

Diversion of funds:

In case, it is not possible to implement a project and no expenditure has been incurred within six months from the date of issue of work order for reasons not due to the Government, the funds in question shall have to be diverted for some other project as would be decided by the Government. In view of this, all possible care shall have to be taken by the district administration to resolve problems coming on the way , if any , and implement the projects in time . Under compelling circumstances, the District Collector has to furnish a detailed report and refer the matter to the Government for necessary diversion of the funds in question.

The District Collector shall effectively supervise and monitor the progress of work under the scheme . For this purpose the Project Director, DRDA and the District Planning Officer shall provide requisite support and assistance to the Collector and District Planning Officer shall be primarily responsible for establishing effective coordination and linkage for smooth and timely implementation of projects under the scheme, their supervision and monitoring . The Collector will periodically review the progress of work and utilisation of funds under the scheme and forward his review report to concerned quarters under intimation to the Planning and Coordination Department for needful action. The District Planning Officer and the Project Director (DRDA) shall furnish periodical reports and returns to Planning and Coordination Department in the manner as would be prescribed from time to time.

Important Conditions:

With a view to ensuring effective utilisation of the grant-in-aid, timely flow of benefits and uniform spread of work programme over time and space the following procedures shall be followed for sanction of funds and execution of projects under the scheme :

- (i) A project sanctioned by the Government shall be completed within the year of allotment.
- (ii) If no expenditure is incurred for a project within 6 months from the date of issue of work order for reasons not due to the Government, the amount in question shall be diverted for some other project with the approval of the Government.
- (iii) No fresh grant-in-aid shall be sanctioned for a project if the previous grant-in-aid sanctioned, if any, has not been fully utilized and utilisation certificate furnished.
- (iv) Grants from out of Special problem fund shall ordinarily be given in fresh proposals emanating from the grass root level. The project shall be original in nature and proposals for completion of incomplete projects or for part of any continuing project funded otherwise shall not ordinarily be entertained.
- (v) In case, any project taken up initially under the scheme remains incomplete due to dearth of funds, the additionality required for its completion may be considered on priority basis subject to that the total sanction does not exceed the ceiling limit.
- (vi) The asset created under the scheme, should ordinarily belong to the Department concerned to which it belongs and in case no Department is available it will be vested to DRDA who will transfer it to the Panchayati Raj Institutions.

Clarification:

In case there is any doubt regarding Implementation of the scheme, the matter may be referred to the Government in P & C Department whose decision will be final.

ANNEXURE - I

Admissible & Inadmissible List of Projects under the Scheme of Special Problem Fund

<i>List of Admissible Projects</i>	<i>List of Inadmissible Projects</i>
<ol style="list-style-type: none"> 1. Electrification of Harijan bastees/Tribal habitations/Girls' High Schools/Primary Schools. 2. Road to Harijan bastees/Tribal habitations. 3. Construction of Working women hostels for SCs/STs. 4. Protection of old cultural / heritage buildings. 5. Expansion / Renovation of State level Government/ Non-government Cultural/Sports Institutions. 6. Small works to provide missing links viz. Culverts, bridges, deep cause way and Cross drainage works to make existing roads operational. 7. Construction of passenger rest-sheds. 8. Completion of incomplete rooms / additional class rooms for Schools. 9. Provision of urinals, lavatories, tube wells in Primary Schools and Girls' High Schools. 10. Projects encouraging promotion of science / information technology / biotechnology/other modern technology for improving the skill of students in schools and colleges. 11. Extension to existing PHC / Sub-centre buildings and Construction of labour room, operation theatre and indoor wards in existing PHCs. 12. Provision of X-Ray machines in hospitals / Air Conditioners in operation theatres. 13. Construction and extension of Government Ayurvedic / Homeopathic dispensaries. 14. Water supply works in problem villages and urban local bodies in cost sharing basis. 	<ol style="list-style-type: none"> 1. Construction and repair of National High Way/State High way/ District roads. 2. Major Bridges. 3. Construction and repair of roads in urban / cantonment areas and those coming under the schemes of NREP, JRY and PMGSY. 4. Major and Medium irrigation Projects. 5. Construction of staff quarters. 6. Contigent expenses like purchase of furniture, laboratory equipment, library books, sports equipment, medicines, vehicle, radio, television set etc. 7. A project of routine repair / maintenance nature or a project requiring recurring expenditure or a project inviting future liabilities. 8. A project benefiting an individual and not the community at large. 9. Payment of honorarium, financial assistance or subsidy of any kind. 10. Repayment of loan clearance of arrears and liabilities, purchase of land, payment of compensation. 11. Surveys, studies, evaluation and research projects. 12. Construction of office buildings, staff quarters of Government / Non-Government organizations. 13. Works relating to commercial organizations/ service associations. 14. Construction of Memorials and Memorial buildings.

<ol style="list-style-type: none">15. Development of infrastructure facilities at places of tourist importance.16. Construction of public library buildings/ Bhagabatghars.17. Renovation / reconstruction / repair of Old religious monuments / cultural / Sports institutions.18. Proposal for encouraging State level Sports activities / representations.19. Construction of public owned Kalyan Mandap on cost sharing basis.20. Projects aiming at environmental protection.21. Installation of electric crematorium.	
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