GOVERNMENT OF ODISHA
PLANNING AND CONVERGENCE DEPARTMENT

Letter No 13786(P), Bhubaneswar, dated 23.11.2016
DPC-65/2016

From
Shri G.B. Reddy,
OSD-cum-Special Secretary

To
All Collectors and Member Secretary to District Planning Committees

Sub: Rules and Procedures for sanction of funds under “Critical Gap Fund for District Plan”- Regarding

Madam/ Sir,

With reference to the above subject, I am directed to enclose herewith a copy of the Rules and Procedures for sanction of funds under “Critical Gap Fund for District Plan” in suppression to this Department letter communicated to you vide No.4398/dated.02.04.2016.

You are, therefore requested to strictly adhere to the aforesaid guidelines, while implementing the projects under the scheme.

Yours faithfully,

[Signature]

OSD-cum-Special Secretary

Encl: As above

Memo No 13787(P), dated 23.11.2016

Copy alongwith copy of the enclosure forwarded to the Deputy Directors (P&S), DPMU of 30 districts for information and necessary action.

[Signature]

OSD-cum-Special Secretary

Memo No 13788(P), dated 23.11.2016

Copy alongwith copy of the enclosure forwarded to the Private Secretary to Chairpersons, District Planning Committees of 30 districts for kind information of Chairpersons.

[Signature]

OSD-cum-Special Secretary
RULES AND PROCEDURES FOR SANCTION OF FUNDS
UNDER "CRITICAL GAP FUND FOR DISTRICT PLAN"

Objectives:
The scheme “Critical Gap Fund for District Plan” has been introduced in the State during the year 2016-17. The scheme aims to address the basic rural infrastructure needs as priority with special emphasis on zero connectivity areas, health, drinking water etc.

Provision of Funds:
Funds for the scheme “Critical Gap Fund for District Plan” shall be provided in the State Plan budget of the Planning and Convergence Department each year. The rules and procedures laid down here under shall be applicable for sanction and utilization of funds under the scheme provided in the State budget from 2016-17 and onwards.

Admissibility:
A project shall be considered admissible for sanction of Fund under the scheme if :
(i) It is a project of developmental nature.
(ii) It comes under district sector schemes / subjects.
(iii) It does not invite recurring expenditure.
(iv) It creates useful community asset and benefits the community at large.
(v) It is a programme of preventive, curative, protective and / or productive in nature.

Inadmissibility:
A project shall be considered inadmissible for sanction of Fund 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 objectionable kisam.
(vi) It is a project belonging to a professional / business association or a religious organization.
(vii) The fund 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 / discharge of financial liabilities already created.

**Illustrative List:**
A list of admissible and inadmissible projects under the Scheme is appended to these Rules at *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:**
The maximum ceiling limit for a project under Critical Gap Fund has been fixed at Rs.10.00 lakh. However, Government may relax this ceiling limit in exceptional cases.

**Selection of Projects, Sanction and Release of Funds:**
People’s representatives, line departments and the Collector of the District may identify such projects having real critical gaps in basic service delivery and rural infrastructure development. All such project proposals received in the District Planning and Monitoring unit(DPMU) shall be examined conforming to the guidelines and shall be prioritized indicating the details of projects, amount proposed to be sanctioned and the recommending authority etc. The prioritized list of projects shall be placed before Chairperson, District Planning Committee for his approval. The detailed list of such approved projects along with their estimated cost along with the name of executing agency shall be communicated by the District Planning and Monitoring unit(DPMU) for execution of the projects as per plans and estimates approved by the competent authorities. The priority list shall stand valid for the particular year for which the same has been sanctioned.

After approval, the projects in order of their priority shall be sanctioned by the Chairpersons of the District Planning Committees keeping in view the availability of funds for the year under the scheme.

**Opening of Bank Accounts**
The funds for the scheme shall be kept by the District Collector in a Separate Savings Bank Account opened in a scheduled Bank.
Utilisation of Interest Earned on Deposits.

Interest accrued on the deposits shall be treated as additional resources and would be utilized for the purpose of schemes/projects.

Maintenance of Accounts

Each District Planning and Monitoring Unit of the district shall be responsible for maintenance of Accounts for the funds allotted to the district. Similarly, the District Collector will also ensure that any executing agency entrusted with the funds under the scheme will also maintain separate account. Interest accrued on the deposits by the executing agency should be transferred to the DPMU at the end of each financial year. Drawing of funds for making payment for the work undertaken by the executing agencies will be as prescribed in the State’s Financial Rules and concerned Departmental Manual.

Utilisation of Funds:

The Deputy Director, Planning & Statistics, DPMU shall release funds with the approval of Collector in favour of the Executing Agencies. The Executing Agency has to furnish MPR to the DPMU for effective monitoring of the progress of work.

Pro rata Charges:

Execution of projects/works under the scheme of Critical Gap Fund for District Plan through different agencies and through organizations under the State Government shall be exempted from payment of pro rata charges.

Diversion of Funds:

In case, it is not possible to implement a project and no expenditure is incurred within six months from the date of issue of work order, the funds in question shall have to be diverted for some other project out of the approved list of in order of priority by the Chairperson, District Planning Committee.

Monitoring:

The District Collector shall effectively supervise and monitor the progress of work under the scheme. DPMU 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 Chairperson of the District Planning Committee may
take up periodical review of progress of execution of works under the scheme and may depute any official for inspection of projects or call for any report on such schemes/projects. The Collector will periodically review the progress of work and utilization of funds under the scheme and forward his review report to Chairperson, District planning Committee under intimation to Planning and Convergence Department for needful action.

**Important Conditions:**
For effective utilization of the fund, 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 Chairperson of DPC shall be completed within the year of its allotment.

(ii) If no expenditure is incurred for a project within 6 months from the date of issue of work order, the amount in question shall be diverted for some other project with the approval of Chairperson, District Planning Committee.

(iii) No fresh funds shall be sanctioned for a project if fund sanctioned previously, if any, has not been fully utilized.

(iv) 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 the fact that the total sanction for the project does not exceed the ceiling limit.

(v) The assets created under the scheme, should ordinarily belong to the concerned administrative departments and shall be maintained by them.
**ANNEXURE - I**

List of Admissible & Inadmissible Projects under the Scheme of Critical Gap Fund for District Plan

<table>
<thead>
<tr>
<th><strong>List of Admissible Projects</strong></th>
<th><strong>List of Inadmissible Projects</strong></th>
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<tbody>
<tr>
<td>2. Road to ST/SC and other unconnected habitations.</td>
<td>2. Major Bridges.</td>
</tr>
<tr>
<td>3. Construction of Working Women’s’ Hostels.</td>
<td>3. Construction and repair of roads in urban / cantonment areas and those coming under existing schemes.</td>
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<tr>
<td>5. Small works to provide missing links viz. Culverts, bridges, deep cause way and Cross drainage works to make roads operational.</td>
<td>5. Construction of staff quarters.</td>
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<tr>
<td>6. Construction of passenger rest sheds.</td>
<td>6. Contingent expenses like purchase of furniture, laboratory equipment, library books, sports equipment, medicines, vehicle, radio, television set etc.</td>
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<tr>
<td>7. Completion of incomplete rooms / and construction of additional class rooms of Government and aided Schools.</td>
<td>7. A project of routine repair / maintenance nature or a project requiring recurring expenditure or a project inviting future liabilities.</td>
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<tr>
<td>8. Provision of drinking water and sanitation facilities in Government and aided Schools.</td>
<td>8. A project benefitting an individual and not the community at large.</td>
</tr>
<tr>
<td>9. Extension to existing CHC/PHC and Sub-centre buildings including construction of labour rooms, operation theatres and indoor wards.</td>
<td>9. Payment of honorarium, financial assistance or subsidy of any kind.</td>
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<tr>
<td>15. Creation of small irrigation facilities for protective/ crop saving irrigation.</td>
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<tr>
<td>15. Provision of Street lights in remote areas.</td>
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