



ABSTRACT

Integrated Urban Development Mission (IUDM) – Sanction and release of an amount of Rs.750.00 crore to Corporations (except Chennai Corporation), Municipalities and Town Panchayats for implementation of IDUM for the year 2012-2013 – Guidelines for constitution of the Project Sanctioning and Monitoring Committee and the creation of IUDM Fund – Approval of Guidelines and sanction of expenditure – Orders – Issued.

MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA2) DEPARTMENT

G.O.(Ms) No. 78

Dated: 08.08.2012

Read:

1. G.O.Ms.No.6, Municipal Administration and Water Supply Department, dated 17.01.2012.
2. G.O. Ms.No.60 Municipal Administration and Water Supply Department, dated 15.06.2012.
3. From the Chairman and Managing Director, TUFIDCO, Letter No.TUFIDCO/ IUDM/ M(B)/2012, dated 10.05.2012 and 17.05.2012.

ORDER:

In the G.O. first read above, the Government have sanctioned a sum of Rs.757.28 crore (Rs.506.48 crore in respect of Corporations (except Chennai Corporation) and Municipalities and Rs.250.80 crore in respect of Town Panchayats) for the implementation of the projects sanctioned under Integrated Urban Development Mission (IUDM) scheme for the year 2011-2012.

2. In the letter third read above, the Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited has sent a proposal for release of Rs.750.00 crore and also draft guidelines for implementation of IUDM for the approval of Government. The Chairman and Managing Director has stated that the Detailed Project Reports received from the implementing agencies are being appraised at Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited. On completion of the appraisal, the project proposals will be placed before the Project Sanctioning and Monitoring Committee for its approval and administrative sanction as suggested in the draft guidelines.

3. The Chairman and Managing Director, TUFIDCO has requested the Government to sanction and release an amount of Rs.750.00 crore to Tamil Nadu Urban Infrastructure and Renewal Fund (TNUIDRF) for implementation of IUDM projects and out of Rs.750.00 crore, an amount of Rs.250.00 crore each can be earmarked to Town Panchayats, Municipalities and Corporations (other than Chennai Corporation). He has also requested to approve the draft guidelines for implementation of IUDM.

4. The Government after careful examination of the proposal of Chairman and Managing Director, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited above, accord sanction and release an amount of Rs.250.00 crore to Director of Town Panchayats and Rs.500.00 crore to Commissioner of Municipal Administration, totaling a sum of Rs.750.00 crore (Rupees Seven hundred and fifty crore only) for improvement of all basic amenities in Corporations (except Chennai Corporation), Municipalities and Town Panchayats under Integrated Urban Development Mission (IUDM). The Government also approve the Guidelines as annexed to this order for the implementation of IUDM which includes constitution of **Project Sanctioning and Monitoring Committee** and creation of an **Integrated Urban Development Mission Fund (IUDMF)** which will be operated and managed by the Nodal Agency, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO), based on the Integrated Urban Development Mission Guidelines.

5. Detailed procedure for amount release will be issued by the Government separately.

6. The amount sanctioned in para 4 above shall be debited to the following head of account:

"4217 . Capital outlay on Urban Development – 60. Other Urban Development Schemes – 800. Other Expenditure – Schemes in the Twelfth Five Year Plan – II State Plan – JJ. Integrated Urban Development Mission 16. Major works (DPC 4217 – 60 – 800 – JJ – 1603)".

7. A sum of Rs.400.00 crore has been provided in B.E 2012-2013. The balance amount of Rs.350.00 crore will be provided in Revised Estimates / Final Modified Appropriation 2012-2013 to meet the expenditure sanctioned in para 4 above. Pending provision of funds in Revised Estimates / Final Modified Appropriation 2012-2013, the Commissioner of Municipal Administration is authorized to incur the expenditure. However, this should be brought to the notice of Legislature by specific inclusion in the Supplementary Estimates 2012-2013.

8. The Commissioner of Municipal Administration is requested to include the expenditure sanctioned above, while sending the budget proposals for Revised Estimates / Final Modified Appropriation 2012-2013 and also to send necessary Explanatory Notes for including the above expenditure in the Supplementary Estimates 2012-2013 to Finance (BG-I) Department, without fail.

9. This order issues with the concurrence of Finance Department vide its U.O. No. 256/JS(Pm)/2012, dated:08.08.2012 and with ASL No: 889 (Eight hundred and eighty nine).

(BY ORDER OF THE GOVERNOR)

SHEELA BALAKRISHNAN
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT.

To

The Commissioner of Municipal Administration, Chennai-5
The Director of Town Panchayats, Kuralagam, Chennai-108.
The Managing Director, TWAD, Chennai-5.
The Managing Director, CMWSSB., Chennai-2.
The Chairman and Managing Director, TUFIDCO, Chennai-35
The Chairperson and Managing Director, TNUIFSL, Chennai-17.
The Accountant General, Chennai-18.
The Pay and Accounts Officer (East), Chennai-8.

Copy to:

The Special P.A. to the Hon'ble Minister (MA&RD), Chennai-9
The Private Secretary to Additional Chief Secretary, Municipal Administration and Water Supply Department, Chennai-9.
The Private Secretary to Principal Secretary, Finance Department, Chennai -9.
The Deputy Secretary (Budget) to Government, Finance Department, Chennai -9.
The Finance (MAWS/BG.I/BG.II) Department, Chennai -9.
The MAWS(Bud) Dept., Chennai-9.

/ Forwarded by Order/

U. Puthu
SECTION OFFICER

ANNEXURE

Guidelines for Integrated Urban Development Mission

1. Introduction

Tamil Nadu ranks third among the States on absolute Urban Population in the country. Due to migration and rapid urbanization many of the cities and towns are severely stressed in terms of basic infrastructure and amenities. In most of the cities and towns, there is a significant gap in water supply, sewerage and sanitation, storm water drains, roads and streets, solid waste disposal and other modern civic amenities like parking space, bus stands, public parks, etc. Urban housing and public transportation are also under strain. This Government is striving to upgrade the quality of life in urban areas by bridging the infrastructure and amenities gap. While the demand for the formation of urban infrastructure is huge, there is shortfall in the availability of resources for meeting the demand. In order to meet the shortfall in the availability of resources for meeting the demand, the funds have been allotted under the **Integrated Urban Development Mission** to meet the growing demand of urban infrastructure in urban local bodies.

In order to supplement the available funds under various schemes, the Government has launched the **Integrated Urban Development Mission** for all Corporations (except Chennai Corporation), Municipalities and Town Panchayats.

2. Objective:

The objectives of the Integrated Urban Development Mission are as follows:

- a. Promote planned integrated development of Cities and Towns:
- b. Secure effective linkage between assets creation and asset management, so that the infrastructural services created in cities and towns are not only maintained efficiently but also become self-sustaining over time.
- c. Enhance public private partnership in infrastructural development.
- d. Dovetailing of existing schemes to improve the standards of basic infrastructure in an integrated manner.

3. Duration of Mission Period:

The duration of Mission is five years from 2011-12 to 2015-16.

4. Scope of Mission Programme:

The fund will be used to assist ULBs/parastatal agencies to improve the standards of urban infrastructure and basic amenities in Urban Local Bodies like Water Supply, underground sewerage, Solid Waste Management, Roads with related street furniture, storm water drains, culverts, Parks and playgrounds, street

lights, public utilities like Bus Stand, Toilets, Markets, crematorium and other infrastructure projects in an integrated manner.

5. Source of Fund:

The Corpus for the fund will be provided through budgetary provision every year by Government of Tamil Nadu. The interest income and any other income earned or accruing to the Fund should form part of its Corpus and shall be applied for the objective for which the fund is created. The allocations under these schemes are fully regulated by Government of Tamil Nadu and Government has absolute domain over the funds of the schemes. Projects may be fully funded under IUDM either as gap funding or used for leveraging funds from other schemes.

6. Eligible Projects:

All basic amenities like Water Supply, Underground Sewerage, Solid Waste Management, Roads with related street furniture, Street lights, Storm Water Drains, Culverts, Parks and playgrounds, public utilities like Bus Stand, Toilets, Markets, Crematorium and other infrastructure projects.

7. Eligible Expenditure:

- Capital Cost
- Cost of Technical assistance like cost of preparation of CDP, DPR, Project Management Consultancy, Third Party Inspection and other service and studies as may be decided by the Committee.
- Fund Management fee may be fixed at 0.5% of the funds sanctioned as IUDM share and payable to nodal agency as Fund Manager.

8. Project Sanctioning and Monitoring Committee

The composition of the committee will be as follows:

Additional Chief Secretary/Principal Secretary/Secretary, MAWS Department	- Chairperson/Chairman
Secretary (Expenditure), Finance Department or his representative	- Member
Commissioner of Municipal Administration	- Member
Director of Town Panchayats	- Member
Managing Director, Tamil Nadu Water Supply and Drainage Board	- Member
Chairman and Managing Director/Managing Director, TUFIDCO	- Convener

TUFIDCO will be the nodal agency for IUDM. The Commissioner of Municipal Administration and the Director of Town Panchayats will send the proposal to the nodal agency and it will appraise and put up the proposal to the Project Sanctioning Committee for its approval and Administrative Sanction.

9. Guidelines for the Project Sanctioning Committee

- Approval of the City Development Plan
- Prioritization of Projects to be posed for funding
- Prescribing appraisal criteria
- Approve the projects and accord administrative sanction for the projects
- Approve the cost for technical Assistance
- Deciding means of finance for the projects
- Decide on the fund release pattern to the implementing agency
- Review and monitor the progress of the projects during implementation and provide critical decisions, wherever required
- Committee will meet at a periodicity to be decided by it
- The tenure of the Committee will be coterminous with the Integrated Urban Development Mission (i.e. 2015-16).

10. Fund Management

The Integrated Urban Development Mission Fund (IUDMF) will be operated and managed by the Nodal Agency, Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO), based on the Integrated Urban Development Mission Fund guidelines prescribed by the Government, from time to time. Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO) will act as a Fund Management Agency of Integrated Urban Development Mission Fund. The functions/powers of the Nodal Agency shall be as follows:-

- a) Appraisal of projects forwarded by Commissioner of Municipal Administration and Director of Town Panchayats.
- b) Open and operate bank account(s) under the name and style of "Integrated Urban Development Mission Fund" for implementation of Integrated Urban Development Mission with any Nationalized Bank(s), State Bank of India and its subsidiaries and authorize the officials of the Nodal Agency to sign such forms, documents, cheques and things, as may be necessary in this regard.

- c) Manage the Fund efficiently, in accordance with the directions, instructions and guidelines issued by the Government, from time to time.
- d) Place deposit and invest funds with any scheduled banks and financial institutions.
- e) Incur expenditure and release funds in relation to eligible disbursement, whether on interim disbursement or otherwise, upon fulfilment of such terms and conditions as may deem fit.
- f) Make all statutory payments for the operation and management of the Fund.
- g) Pay fees to the Nodal Agency as may be prescribed by the Government from time to time.
- h) Appoint legal, financial, technical and other consultant(s)/advisor(s)/Specialist(s)/expert(s) and other persons for carrying out the objectives of the Fund.
- i) Call for tenders for studies and preparation of Detailed Project Reports and to appoint the competent consultant(s) and release the amount from the fund.
- j) Execute/terminate deeds, contracts, agreement, instruments and other legal documents on behalf of the Fund.
- k) Appoint a firm of Chartered Accountants to carry out audit of the accounts of the Fund and furnish the reports as may be required by the Government.
- l) Do all other acts, deed and things, as usual, desirable or expedient in the management of the affairs or for the purpose of the Fund.

11. Procedure for Sanction

- Application for financial assistance should be submitted by the ULB/ parastatal agencies through the HoD to the Nodal agency with Detailed Project Report for each project
- Appraisal by Nodal Agency
- Approval and Administrative sanction by Project Sanctioning and Monitoring Committee

12. Disbursement of Fund

Fund may be released in two instalments. 50% of the fund may be released immediately upon issue of sanction. Balance 50% of the fund may be released based on the progress of the project, duly certified by consultant appointed by TUFIDCO.

13. Annual Accounts and Audit

The Fund Manager may nominate a firm of Chartered Accountants to carry out an annual audit of the Fund, notwithstanding that the Comptroller and Auditor General of India may also carry out a separate annual audit. The audit report should be ready within nine months from the date of close of each financial year

14. Functions of the nodal agency

The nodal agency may carry out the following functions:


- 1) Inviting project proposal from ULBs/parastatal agencies through respective HODs.
- 2) Appraisal of project including technical and financial appraisal.
- 3) Put up the proposals received from implementing agencies after appraisal to the Project Sanctioning Committee for approval administrative sanction.
- 4) Monitor the progress of the project.
- 5) Coordinate the functioning of different agencies and solve inter-departmental issues.

15. Miscellaneous

1. Projects may be tendered out with 5 year comprehensive maintenance.
2. Bus route roads and other important main roads may be given preference. Standards as specified by the Department of Road Transport and Highways (MORTH) may be adopted.
3. In case of lanes and roads with width less than 3.5 meters, implementation of works may be carried out with paver blocks.
4. PPP may be encouraged, wherever possible.
5. All the projects may be prepared in an integrated manner and roads shall be designed end to end with necessary drainage facilities, adequate lighting and road furniture.

SHEELA BALAKRISHNAN
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT.

\\ True Copy \\


SECTION OFFICER