



**Government of Odisha**  
**Housing & Urban Development Department**

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No. 13247 /HUD., Date. 7/8/2020  
HUD-FUND-COMM-0003-2020

**From**

**G. Mathi Vathanan, IAS**  
**Principal Secretary to Government**

**To**

**All the Commissioners of Municipal Corporations**  
**All the Executive Officers of Municipalities & N.A.Cs**

**Sub:-GUIDELINES ON UTILISATION OF GRANTS-IN-AID FOR DEVELOPMENT OF WATER BODIES RECOMMENDED BY 5<sup>TH</sup> STATE FINANCE COMMISSION TO URBAN LOCAL BODIES FOR THE PERIOD FROM 2020 - 21 TO 2025 - 26 (6 YEARS)**

**Madam/Sir,**

I am directed to say that on the recommendations of 5<sup>th</sup> State Finance Commission and the Action Taken Report thereof, Government have decided to transfer fund to Urban Local Bodies amounting to Rs.125.00 crore as Grants-in-aid under "development of water bodies" covering a period of six years. The year wise allocation of fund is given below:

*(Rs. in Crore)*

2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2020-26
20.83	20.83	20.83	20.83	20.84	20.84	125.00

**1. OBJECTIVE:**

The water bodies are extremely important assets of Urban Local Bodies. These Assets not only beautify the urban ambience, but also preserve the water resources & help in raising the ground water table. It's further beautification in the surrounding areas with a holistic plan enable the ULBs to generate revenue. The Revenue & Disaster Management Department vide its order No.36868, dated 03.11.2014 has ordered for transfer of water bodies, tank (Jalasaya) etc. situated in urban areas to the administrative control of ULBs. The ULBs can explore to develop such water bodies with other water bodies of their respective jurisdictional area for utilisation by the urban residents.

With this objective Grants-in-Aid of Rs125.00 crore has been provisioned for a period of six years which is tied in nature and shall not be diverted for any other purposes without prior approval of Government.

## **2. Mode of Release:**

The ULBs have to submit the project proposal for development/ improvement/ rejuvenation of water bodies encompassing all the features in shape of DPR/ Estimate with request to H & UD Department for funding to be executed out of own fund or OUIDF or any other loan dovetailing with this grant.

The grants-in-aid will be sanctioned in favour of Urban Local Bodies by H & UD Department as a pulled resource for developing water bodies on receipt of the DPR/ estimate from the Urban Local Bodies will be released in favour of concerned ULBs in one go during a financial year with following conditions.

- In case the project is executed out of own fund of ULB, the concerned ULB has to pass a Council Resolution the project cost out of their own sources or admissible government grants dovetailing the grant of 5th SFC grant. A copy of the same should be enclosed with the project proposal (DPR).
- In case the project is executed out of OUIDF project, the ULB has to pass a Council Resolution to the effect that it will be guided by the prevailing norms of the OUIDF and 5th SFC. A copy of the same should be enclosed with the project proposal (DPR).
- In case the project is sanctioned out of OUIDF, the ULBs can utilise these grants towards recouplement of loan received from OUIDF.
- The RoR of the Water Body proposed for development/ renovation/ rejuvenation should be in the name of concerned ULB / H & UD Department or permissive possession should have to be obtained from appropriate authority before preparation of DPR & estimate. A copy of the RoR or permissive letter must accompany the proposal.
- The ULBs have to furnish the DPR & estimate with all relevant documents on or before 30th September of the financial year to H & UD Department.
- The H & UD Department will scrutinise the proposal received from ULBs for needful funding.
- The grants-in-aid earmarked for Development of Water Bodies will be allocated among different Urban Local Bodies by H&UD Department. However priority should be given for development of at least one water body in every ULB.

- The funds under grants-in-aid to ULBs will be released directly to the PL account of the concerned ULBs through PL module of IFMS.
- The ULB should submit the opening balance of the last financial year under Double Entry Accrual Based Accounting System (DEABAS).
- The ULB should certify that, they have created the ULB web site and usage of e-Municipality/ SUJOG modules.
- Revenue generation from internal sources to increase by 6% annually vis-à-vis corresponding period in last financial year.
- The Utilisation of grant is permissible for investment in Development of Water Bodies which would generate revenue for the Urban Local Bodies with due approval of Municipal Council.
- The second proposal / project of the ULB may be considered for funding only after receipt of 100% UCs of previous year's grant.
- Photographs of the project before commencement, during execution and after completion should be taken and kept in the Case Record and to be uploaded online before release of Final payment to the executant.
- Projects taken up under this grant should not overlap with any existing State or Central Scheme. In such cases, where there is provision of fund under any State or Central Schemes, then equivalent amount as recommended by the Commission shall be deducted from the State Scheme or it may be treated as contribution/share of State Government/Local Bodies in case of Central Scheme.

### **3. Maintenance of Accounts & Audit**

- Separate Book of Account to be maintained by the ULBs for each sector specific grant-in-aid.
- The Project approved by the concerned Municipal Council is to be taken up under direct supervision of the N.A.C., Municipality and Municipal Corporation (as the case may be) and to be reviewed from time to time till completion of the work.
- Inventory Assets Register has to be maintained by the ULB in the prescribed format/Form OGFR 30A in terms of Rule-17 (5)(i) of the OGFR.
- The utilisation of grant is subject to audit by the Local Fund Audit Organisation of State, internal audit of the H & UD Department as well as Annual Technical Inspection of C & AG.
- Provision laid down in Odisha Municipal Corporation Act & Rules /Orissa Municipal Act & Rules / Municipal Accounting Procedures/ OPWD code etc. as the case may, will be followed strictly at the time of execution of work.

#### 4. Monitoring and Supervision:

- The District Level Monitoring Committee in each district which has been constituted vide Finance Department Resolution No 16885/F dated 4.6.2020 under the Chairmanship of Collector & DM with PD, DUDA and Representatives of the Line Departments as Members and PD, DRDA as Member Convenor shall review the demand and collection of own sources of revenue, progress of expenditure, submission of utilisation certificate etc. on quarterly basis
- Every ULB need to share, Under public disclosure law as incorporated in OM Act, 1950 and OMC Act, 2003, with public through Notice Board, paper advertisement and web information on quarterly basis their work plan, on-going projects, projects to be taken up, cost of project and status of each of the projects.

#### 5. Submission of Utilisation Certificate

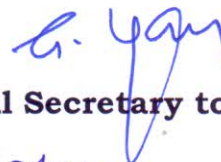
- The Utilisation Certificate in duplicate shall be furnished by the grantee Urban Local Bodies in Form OGFR-7A duly countersigned by the countersigning authority as per the FDOM No.21241/F, dated 17.07.2014 and such other instructions issued from time to time.

This Guideline supersedes all other instructions communicated by H & UD Department as well as Finance Department earlier in this regard. However, on-going projects taken up under the previous guidelines will continue to be governed by the said guidelines.

Housing & Urban Development Department will be competent to clarify doubts, if any, and ensure removal of the bottlenecks, if any, for implementation of the scheme and utilisation of funds and relaxing any of the conditionality for release of grants under special circumstances with due approval of HLMC and concurrence of Finance Department.

This has duly been vetted by Finance Department after obtaining necessary approval of High Level Monitoring Committee (HLMC).

Yours faithfully,



**Principal Secretary to Government**

Memo No. 13248 /HUD, Date 7/8/2020

Copy forwarded to the Finance (Budget-6) Department for information & necessary action.



**Joint Secretary to Government**

Memo No. 13249 /HUD, Date 7/8/2020

Copy forwarded to all Collectors & District Magistrate/ all Project Directors of District Urban Development Agencies/ M.D., OUIDF, Bhubaneswar for information & necessary action.

*[Handwritten signature]*  
7/8/2020

**Joint Secretary to Government**

Memo No. 13250 /HUD, Date 7/8/2020

Copy forwarded to PS to Principal Secretary to Government/ PS to F.A.-cum-Additional Secretary to Government, H & UD Department for kind information of Principal Secretary / F.A.-cum-Additional Secretary

*[Handwritten signature]*  
7/8/2020

**Joint Secretary to Government**

Memo No. 13251 /HUD, Date 7/8/2020

Copy forwarded all Sections of H & UD Department (Except Issue Section/Diary Section) for information & necessary action.

The RTI Section is requested to upload the guidelines in public domain under section 4(1)(b) of the RTI Act,2005

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7/8/2020

**Joint Secretary to Government**