GOVERNMENT OF KERALA

Abstract
Local Self Government Department - Guidelines for subsidy and related matters in respect of XIth Five Year Plan - Orders issued.

LOCAL SELF GOVERNMENT (DA) DEPARTMENT


ORDER

As per the government order read above, Government have issued guidelines for preparation of the Eleventh Five Year Plan by Local Governments as the next phase of People's Plan. In continuation of this order Government are pleased to approve the Guidelines appended in respect of subsidy norms and related issues. Government also order that orders issued earlier in respect of subsidy norms and related matters would be superseded by the new Guidelines.

By Order of the Governor

S.M. VIJAYANAND
Principal Secretary to Government.

To
1. All Presidents/Secretaries of Village Panchayats
2. All Presidents/Secretaries of Block Panchayats
3. All Presidents/Secretaries of District Panchayats
4. All Mayors/Secretaries of Corporations
5. All Chairpersons/Secretaries of Municipalities
6. All Chairpersons of District Planning Committees
7. All District Collectors & Member Secretaries to District Planning Committees
8. The Secretary, Planning & Economic Affairs Department
9. All other Principal Secretaries and Secretaries to Government
10. The Member Secretary, State Planning Board
11. The Director of Panchayats
12. The Commissioner of Rural Development
13. The Director of Urban Affairs
14. The Director of Public Instruction
15. The Director of Scheduled Castes
16. The Director of Scheduled Tribes
17. The Director of Higher Secondary Education
18. The Director of Health Services
19. The Director of Public Relations (For immediate press release)
20. All Other Heads of Departments
21. The Chief Town Planner
22. The Director, Kerala Institute of Local Administration
23. The Executive Director, Kudumbashree
24. The Executive Chairman & Director, Information Kerala Mission
25. All District Planning Officers
26. All Deputy Directors of Panchayats
27. All Assistant Development Commissioners (General)
28. The Convenor, State Level Bankers Committee (Canara Bank, Thiruvananthapuram) (With C/L)
29. All Convenors, District Level Bankers Committees (With C/L)
30. The Director, Local Fund Audit, Thiruvananthapuram
31. State Performance Audit Officer
32. General Secretary, Kerala Grama Panchayat Association
33. Secretary, Kerala Block Panchayat Association
34. Secretary, Chamber of Municipal Chairpersons
35. Secretary, Chamber of District Panchayat Presidents
36. The Principal Accountant General (Audit), Kerala, Thiruvananthapuram (With C/L)
37. The Accountant General (A&E), Kerala, Thiruvananthapuram (With C/L)

Copy to:
The Secretary to Chief Minister
The Private Secretary to the Minister for Local Self Government
GUIDELINES ON SUBSIDY AND RELATED ISSUES FOR ELEVENTH FIVE YEAR PLAN OF LOCAL GOVERNMENTS

[Appendix to G.O (MS) No. 183/2007/LSGD; dt. 24-07-2007]

1. Restriction on subsidies

1.1 Provision of subsidies for the following items to individuals and families is not allowed.

1. Pressure Cooker
2. Cooking Vessels/Storage Vessels
3. Furniture
4. TV/Radio/Mike sets/lamps/lanterns (except in the case of solar lanterns to SC/ST households in unelectrified areas).
5. Bags/Slippers/Shoes/Umbrellas etc.  
6. Dress Items/Uniforms/Books
7. Cash Doles/Pensions/Donations/Advertisements
8. Grants for Treatment/Marriage/Funeral/Child Birth
9. Sewing Machine
10. Axe/Pick Axe/Shovel/Spade/Fork and other garden implements.
11. Agricultural Land
12. Interest subsidy
13. Wheel Barrow
14. LPG connection

1.2 This is an illustrative list and applies only to beneficiary oriented schemes either for an individual or a family. If the District Planning Committee feels that there are similar items, which would lead to mere distribution of funds, it may persuade the local governments to drop such projects. In case there is any dispute, the matter may be referred to Government for clarification.

2. Subsidy norms

2.1 These subsidy norms are maximum limits.

2.2 For any other item not mentioned in these guidelines, prior permission of the Government is required. Any violation of the subsidy norms would be deemed to be misutilisation of local government funds and any excess subsidy paid would be recoverable from the person(s) responsible as per the provisions of law.

2.3 Subsidy is given to encourage investment by the beneficiaries. In the case of productive sector, subsidy should consciously be used to encourage complementary or supplementary investment for activities by the beneficiaries. Therefore, as far as possible, all subsidies should be made part of integrated programmes with
provisions for the beneficiary contribution or activity. Maximum rates of subsidy allowable is as follows:

I. Agriculture

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item</th>
<th>Category</th>
<th>Maximum limit of subsidy</th>
<th>Norms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fertilizer including bio-fertilizer and manure *</td>
<td>General/SC/ST</td>
<td>50%</td>
<td>• Only for marginal farmers (means farmers owning one hectare or less) and small farmers (means farmers who own between 1 and 2 hectares).&lt;br&gt;• There shall not be any scheme for fertilizer distribution alone.&lt;br&gt;• Subsidy should not be paid in cash to individuals or families.&lt;br&gt;• Bio-fertilizer and manure would include locally produced organic compost like vermi compost, cowdung etc. For such items unit cost would be fixed by DLTAG.</td>
</tr>
<tr>
<td>2.</td>
<td>Pesticides including bio-pesticides. *</td>
<td>General/SC/ST</td>
<td>50%</td>
<td>• Only for marginal farmers.&lt;br&gt;• There shall not be any scheme for pesticide distribution alone.&lt;br&gt;• Subsidy should not be paid in cash to individuals or families</td>
</tr>
<tr>
<td>3.</td>
<td>Vegetable seeds, paddy seeds and seedlings *</td>
<td>General/SC/ST</td>
<td>100%</td>
<td>• Only for marginal and small farmers.&lt;br&gt;• Subsidy should not be paid in cash to individuals or families</td>
</tr>
<tr>
<td>4.</td>
<td>Other seeds and seedlings *</td>
<td>General/SC/ST</td>
<td>50%</td>
<td>• Only for marginal farmers.&lt;br&gt;• Subsidy should not be paid in cash to individuals or families</td>
</tr>
<tr>
<td>5.</td>
<td>Pump sets, sprayers and other agricultural implements *</td>
<td>General SC/ST</td>
<td>50% (75%)</td>
<td>• Only for marginal farmers.&lt;br&gt;• The unit cost would be as fixed by NABARD&lt;br&gt;• Subsidy should not be paid as cash.</td>
</tr>
<tr>
<td>Sl. No</td>
<td>Item/Sector</td>
<td>Category</td>
<td>Maximum limit of subsidy</td>
<td>Norms</td>
</tr>
<tr>
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</tr>
</tbody>
</table>
| 6.    | Tractors, tillers and other agricultural machinery * | General/SC/ST | 100% | - Only to farmers’ co-operatives and registered ‘Padasekara Samithis’  
- An agreement should be signed with them that it will be put to common use and will be promptly maintained. |
| 7.    | Cutting of coconut trees affected by disease and replanting. | General/SC/ST | Subsidy rate as provided by the Agriculture Department | - Only marginal farmers are eligible for this subsidy  
- There should be a system of marking of trees affected by disease by a committee which includes the Agricultural Officer and payment should be made after verification. |
| 8.    | Wells (Irrigation) | BPL marginal farmers | 100% | - The unit cost would be fixed by the DLTAG. |
| 9.    | Wells (Irrigation) | APL marginal farmers | 50% | - The unit cost would be fixed by the DLTAG. |

* General norms for item 1 to 6
- For item 1 to 6 subsidy can be given only as a component of a larger integrated production improvement project.
- Item Nos. 1 to 6 may be provided to NHGs of Kudumbashree for taking up lease-land cultivation.

II. Animal Husbandry

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item/Sector</th>
<th>Category</th>
<th>Maximum limit of subsidy</th>
<th>Norms</th>
</tr>
</thead>
</table>
| 1.    | Animal Husbandry Schemes | General/SC/ST | SGSY / SJSRY rates and norms | - Only for BPL families  
- The percentage and amount of subsidy would be as per SGSY pattern in rural areas and SJSRY pattern in urban areas for family and individual schemes. However for Kudumbashree units in urban areas assistance can be provided as per SGSY pattern.  
- The unit cost should be as fixed by NABARD from time to time.  
- In the case of NHGs of Kusumbashree internal loan may also be considered for credit linkages. |
<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item/Sector</th>
<th>Category</th>
<th>Maximum limit of subsidy</th>
<th>Norms</th>
</tr>
</thead>
</table>
| 2.    | Kamadhenu Insurance          | General/ SC/ ST     | Rate fixed by the Animal Husbandry Department | Only for BPL families  
|       |                              |                     |                          | Procedure fixed by the Animal Husbandry Department should be followed. |

### III. Soil Conservation

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item</th>
<th>Category</th>
<th>Maximum limit of subsidy</th>
<th>Norms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Soil Conservation</td>
<td>General/SC/ST</td>
<td>Rs.7500 per ha. (WGDP rate)</td>
<td></td>
</tr>
</tbody>
</table>
|        |                       |          |                          | • Beneficiary contribution not necessary.  
|        |                       |          |                          | • WGDP guidelines are applicable.  
|        |                       |          |                          | • These norms would be applicable for the Annual Plan 2007-08 only. For the remaining period of the Eleventh Plan assistance can be given in accordance with the norms for watershed development programmes which would be prescribed later. |

### IV. Fisheries

#### A) Marine Sector

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item</th>
<th>Maximum limit of subsidy</th>
<th>Subsidy norms</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Dinghy for mussel capture</td>
<td>50% or Rs 10,000 whichever is less</td>
<td>Maximum unit cost Rs 25,000</td>
<td>Active fishermen of BPL family</td>
</tr>
<tr>
<td>2.</td>
<td>Dinghy with gill net</td>
<td>50% or Rs 10,000 whichever is less</td>
<td>Maximum unit cost Rs 25,000</td>
<td>Active fishermen of BPL family</td>
</tr>
<tr>
<td>3.</td>
<td>Catamaran</td>
<td>50% or Rs 10,000 whichever is less</td>
<td>Maximum unit cost Rs 25,000</td>
<td>Active fishermen of BPL family</td>
</tr>
<tr>
<td>4.</td>
<td>Sea safety equipment for fishermen for a vessel</td>
<td>50% or Rs 10,000 whichever is less</td>
<td>Unit cost to be fixed by DLTAG</td>
<td>Active fishermen of BPL family owning fishing vessel.</td>
</tr>
</tbody>
</table>
### B) Inland sector

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item</th>
<th>Maximum limit of subsidy</th>
<th>Subsidy norms</th>
<th>Eligibility*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ornamental fish breeding &amp; sale, aquarium designing etc</td>
<td>50% subject to the limit of Rs 10,000</td>
<td>Unit cost to be fixed by DLTAG</td>
<td>Youth from active fisherfolk/ fish farmer</td>
</tr>
<tr>
<td>2.</td>
<td>Fish seed for fish culture</td>
<td>50% subject to the limit of Rs 10,000</td>
<td>Unit cost Rs 3,000 per ha. subject to a maximum of Rs 6,000</td>
<td>Marginal fish farmers and only once</td>
</tr>
<tr>
<td>3.</td>
<td>Setting fish ponds</td>
<td>50% subject to the limit of Rs 10,000</td>
<td>Unit cost Rs 6,000 per ha. subject to a maximum of Rs 12,000</td>
<td>Marginal fish farmers and only once</td>
</tr>
<tr>
<td>4.</td>
<td>Mussel culture</td>
<td>50% subject to the limit of Rs 10,000</td>
<td>Maximum of Rs 6,000 per ha.</td>
<td>Marginal fish farmers and only once</td>
</tr>
<tr>
<td>5.</td>
<td>Oyster culture</td>
<td>50% subject to the limit of Rs 10,000</td>
<td>Maximum of Rs 6000 per ha</td>
<td>Marginal fish farmers and only once</td>
</tr>
<tr>
<td>6.</td>
<td>Crab culture</td>
<td>50% subject to the limit of Rs 10,000</td>
<td>Maximum of Rs 6000 per ha</td>
<td>Marginal fish farmers and only once</td>
</tr>
</tbody>
</table>

* Only farmers from BPL families are eligible.

### C) Groups

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item</th>
<th>Maximum limit of subsidy</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Fish vending vehicle</td>
<td>50% subject to a ceiling of Rs. 1.25 lakh</td>
<td>Fish vending women’s group of Kudumbashree</td>
</tr>
</tbody>
</table>

### V. Wells (Drinking Water)

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item</th>
<th>Category</th>
<th>Maximum limit of subsidy</th>
<th>Norms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Wells (Drinking Water)</td>
<td>General/SC/ ST</td>
<td>100%</td>
<td>• Only for BPL families.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• The unit cost would be fixed by the DLAG.</td>
</tr>
<tr>
<td>2.</td>
<td>Renovation of wells (drinking water)</td>
<td>General/SC/ ST</td>
<td>Rs. 2000</td>
<td>• Only to families below poverty line.</td>
</tr>
<tr>
<td>3.</td>
<td>Conversion of Open Draw wells into sanitary wells</td>
<td>General/SC/ ST</td>
<td>Rs. 3000</td>
<td>• Only to BPL families.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>• This subsidy can be given for sanitizing wells as per the guidelines of the Kerala Total Sanitation and Health Mission which includes plastering the inside areas, construction of parapet wall and platform, construction of drains, provision of protective net etc.</td>
</tr>
<tr>
<td>4.</td>
<td>Roof water harvesting</td>
<td>General/SC/ ST</td>
<td>75% of the cost up to Rs. 10,000</td>
<td>• Only for families below poverty line.</td>
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<tr>
<td></td>
<td></td>
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<td></td>
<td>• Unit cost to be fixed by DLTAG.</td>
</tr>
</tbody>
</table>
### VI. Houses/Shelter Upgradation/Sanitary Unit

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item/Sector</th>
<th>Category</th>
<th>Maximum limit of subsidy</th>
<th>Norms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>House</td>
<td>General</td>
<td>Rs. 50,000.</td>
<td>• Only to families below poverty line</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SC</td>
<td>Rs. 75,000</td>
<td>• In the case of IAY, the Block Panchayats have to meet the gap required to increase the cost up to the ceiling fixed. District and Block Panchayats can also meet the gap for SC/ST beneficiaries.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ST</td>
<td>Rs. 1,00,000</td>
<td>• The plinth area of houses should be in between 25 and 40 sq.m.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• The houses should compulsorily have roof harvesting structures appropriate to the locality, sanitary latrines and smokeless choolahs. Technical specification of roof harvesting structures may be developed at the district level. For smokeless choolahs no additional subsidy need be given. But in the case of roof water harvesting and sanitary latrines additional subsidy as per the norms for these schemes can be given.</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• In the case of puramboke/forest-dwelling tribals, if they are provided with temporary house number by the Village Panchayats they can be given assistance under housing projects based on the possession certificate issued by the Revenue Department.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>• For all housing schemes a photograph shall be taken of the family standing before the existing dwelling place in respect of all selected beneficiaries.</td>
</tr>
<tr>
<td>Sl. No</td>
<td>Item</td>
<td>Category</td>
<td>Maximum limit of subsidy</td>
<td>Norms</td>
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</tr>
</tbody>
</table>
| 2.     | Shelter Upgradation (changing of roof to make it pucca) – including houses under OLH schemes | General/SC/ST    | Rs. 7,500/Rs. 9,000      | • Only for families below poverty line  
• Cash doles should not be given.  
• Valuation should be done and no detailed measurement is required.  
• Monitoring should be done by ADS/CDS |
| 3.     | Repair of houses (including houses under OLH schemes)                 | SC/ST only       | Rs.10,000                 | • Only for families below poverty line  
• Estimate should be prepared for each repair work  
• Valuation should be done and no detailed measurement is required.  
• Monitoring should be done by ADS/CDS |
| 4.     | Renovation/repair of houses under ‘One Lakh Housing’ Scheme          | General          | Rs. 5000                 | • Only for families below poverty line  
• Valuation should be done and no detailed measurement is required.  
• Monitoring should be done by ADS/CDS  
• If existing houses cannot be repaired, new houses may be taken up provided the household is eligible as per the priority list of the local government. |
| 5.     | Wiring of Houses                                                     | General/SC/ST    | Rs. 1000                 | • Only for families below poverty line  
• Estimate should be prepared. |
<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item Category</th>
<th>Maximum limit of subsidy</th>
<th>Norms</th>
</tr>
</thead>
</table>
| 6.    | Sanitary Unit | Rs. 2500 | • Only for families below poverty line  
|       | General/SC    |             | • A sanitary unit should have a system for disposal of waste water in soak pits, organic waste in compost pits and a twin pit sanitary latrine.  
|       | ST            | Rs. 3500 | • Only beneficiaries who are willing to take up the compost unit should be assisted and given the full subsidy.  
|       |               |            | • In the districts where Total Sanitation Projects are under implementation, local governments can contribute the gap required to increase the cost up to the ceiling fixed. |

### VII. Economic Development Schemes

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Item/Sector Category</th>
<th>Maximum limit of subsidy</th>
<th>Norms</th>
</tr>
</thead>
</table>
| 1.    | Assets for self-employment | General/SC/ST SGSY, SJSRY rates and norms | • Only for families below poverty line  
|       |                       |                          | • In rural areas SGSY pattern should be followed.  
|       |                       |                          | • In urban areas SJSRY pattern should be followed. |
| 2.    | Auto-rickshaw/Pick-up Auto | General SC/ST Rs.10,000 | • Only for families below poverty line.  
|       |                       | Rs. 20,000 | • Invariably the scheme should be linked to institutional finance.  
|       |                       |            | • Payment should be as back-end subsidy to the bank concerned. |
| 3.    | Group economic development schemes | General/SC/ST SGSY, SJSRY rates and norms | • Only for families below poverty line  
|       |                       |                          | • In rural areas SGSY pattern should be followed.  
|       |                       |                          | • In urban areas SJSRY pattern should be followed. |
3. Assistance to Co-operatives

3.1 Local Governments are allowed to assist Co-operatives as per the following pattern:

**I. Dairy Co-operatives/Cooperatives affiliated to MILMA**

<table>
<thead>
<tr>
<th>Items</th>
<th>Percentage of Subsidy</th>
<th>Maximum limit of subsidy</th>
<th>Eligibility Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Setting up pasteurization plants by societies</td>
<td>25% of Cost</td>
<td>Rs. 12 lakh</td>
<td>Societies handling on an average 5000 litre milk per day and running on profit for the last three years.</td>
</tr>
<tr>
<td>(ii) To buy milk coolers</td>
<td>33 1/3% of cost</td>
<td>Rs. 2 lakh</td>
<td>Societies handling at least 300 litre of milk per day.</td>
</tr>
<tr>
<td>(iii) Automatic milk packing machine</td>
<td>33 1/3% of cost</td>
<td>Rs. 2 lakh</td>
<td>Societies with milk cooler of 300 litre capacity, procuring on an average 300 litre a day and running on profit for the last three years.</td>
</tr>
<tr>
<td>(iv) Milk collection room</td>
<td>25% of cost</td>
<td>Rs. 75,000</td>
<td>Societies with own land, working on profit for the last three years having an average collection of 300 litre per day.</td>
</tr>
<tr>
<td>(v) Automatic milk collection unit</td>
<td>33 1/3% of cost</td>
<td>Rs. 50,000</td>
<td>Societies procuring 300 litre of milk per day.</td>
</tr>
<tr>
<td>(vi) Milk testing equipment</td>
<td>33 1/3% of cost</td>
<td>Rs. 25,000</td>
<td>Societies procuring 200 litre of milk per day.</td>
</tr>
<tr>
<td>(vii) Stainless steel – 304 grade 40 litre cans</td>
<td>33 1/3% of cost</td>
<td>Rs. 800 per unit</td>
<td>Maximum 10 cans – All primary societies.</td>
</tr>
</tbody>
</table>

**II. Fisheries Co-operatives**

(i) For fisheries co-operatives to be eligible, they should have a full-fledged auction system.

(ii) Assets created using the funds of Local Governments shall be under the ownership of Local Governments.

(iii) Revolving fund at the rate of Rs. 2000 per member participating in auctions can be given. The following assistance can also be provided.
<table>
<thead>
<tr>
<th>Item</th>
<th>Maximum limit of subsidy</th>
<th>Norms</th>
<th>Eligibility criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fish vending vehicle for FWDCS</td>
<td>20% of cost subject to the limit of Rs. one lakh</td>
<td>Unit cost to be fixed by the DLTAG.</td>
<td>Fishermen Welfare Development Cooperative Societies (FWDCS).</td>
</tr>
<tr>
<td>2. Auction hall *</td>
<td>20% of the cost</td>
<td>Unit cost to be fixed by the DLTAG</td>
<td>Fishermen Welfare Development Cooperative Societies (FWDCS) – if the land is owned by the FWDCS, and FWDCS have complete mechanism for auction.</td>
</tr>
<tr>
<td>3. Rest Place for Fish Vending Women *</td>
<td>50% of the cost</td>
<td>Unit cost to be fixed by the DLTAG</td>
<td>Fishermen Welfare Development Cooperative Societies (FWDCS); if the land is owned by FWDCS</td>
</tr>
<tr>
<td>4. Ventures on employment diversification:</td>
<td></td>
<td></td>
<td>Fishermen Welfare Development Cooperative Societies (FWDCS) - if the land is owned by FWDCS</td>
</tr>
<tr>
<td>(i) Fish Freezer.</td>
<td>20% of cost</td>
<td>Max. Rs 2 lakh</td>
<td></td>
</tr>
<tr>
<td>(ii) Automatic Fish Processing Machine</td>
<td>1/3rd of cost.</td>
<td>Max. Rs 2 lakh</td>
<td></td>
</tr>
<tr>
<td>(iii) Fish Processing Plants.</td>
<td>20% of cost</td>
<td>Max. Rs 8 lakhs</td>
<td></td>
</tr>
<tr>
<td>(iv) Ornamental Fish Designs</td>
<td>20% of cost</td>
<td>Max. Rs 25,000</td>
<td></td>
</tr>
</tbody>
</table>

* Can be built by the Local Governments at public places and 100% assistance given if the ownership of the structures and land remain with the Local governments, but maintained by SHGs.

III. Industrial Co-operatives

(i) Purchase of Equipment for Modernization/Expansion. $\frac{1}{3}$ rd of the cost subject to a maximum of Rs. 1.5 lakh per society.

(ii) Following criteria of eligibility could be prescribed.
    1) Assistance from financial institutions is secured.
    2) It has a full time paid secretary.
    3) It has marketing network.
    4) Net loss for the previous three years should not exceed half of the paid up share capital.
    5) Construction of permanent sales outlet, provided it is owned by local government.

IV. Handloom Co-operatives

(i) Construction of permanent outlets, provided it is owned by the local government.

(ii) Assistance to BPL members for purchase of looms and weaving accessories as per SGSY norms.
V. Coir Co-operatives
(i) Margin money of 20% for loans from banks without Government guarantee.
(ii) Purchase of ratts for BPL members in the case of new co-operative societies.
(iii) Land for setting up factories on lease

VI. Khadi Societies
(i) Only Societies run by the KVIC or KVIB would be eligible if they have been functioning for the last five years consecutively. The assistance can be given to charitable societies functioning in khadi sector also for their khadi activity alone. Such charitable societies should have ‘khadi certification’.
(ii) The co-operative/charitable societies should have certificates of proper utilization of funds from the officials of the KVIC/KVIB. Societies controlled by families would not be eligible.
(iii) Assistance could be given for the following purposes.
1) Expansion of existing units.
2) Employment generation units
3) Infrastructure like work-sheds, marketing outlets
4) Upgradation of machinery.
(iv) Subsidy shall be limited to 1/3rd of the cost of the project

VII. SC/ST Societies
Societies which are functioning for the last five years with losses not exceeding 50% of the share capital shall be eligible for assistance. Assistance shall be for projects for employment generation and would be limited to 50% of the project cost. No assistance should be given by way of managerial subsidy.

VIII. Agricultural Co-operative Societies
Societies having at least 75% of members as Small/Marginal Farmers would be eligible if they have been functioning for the last five years and are not in loss. Assistance could be for storage facilities or infrastructure required for value addition. The quantum of assistance should be limited to 1/3rd of the project cost. There would further be a written agreement that assets created using local government funds shall not be alienated and would go to the local governments in case the society is liquidated or becomes non-functional.

IX. General
Assistance can be given for the following purposes also:
(i) Purchase of copra/pepper dryers – 25% subsidy subject to a maximum of Rs.50,000 (Rupees Fifty thousand)
(ii) Construction of godowns and modern storehouses to be run by co-operatives - if the local governments are allowed to own the assets by the Cooperative Society.

3.2 For all Cooperative Societies to be eligible for assistance accounts have to be up-to-date (i.e; till 2006-07) and audit of 2005-06 should be over with no serious irregularities mentioned.

3.3 If a Local Government decides to give assistance to Cooperative Societies of a particular type it should call for applications from all such Societies within its jurisdiction and the application form should clearly indicate the eligibility criteria as well as criteria for prioritising the applications. As in the case of individual
beneficiaries marks have to be awarded and the most eligible Cooperative Society/Societies selected. In short, Local Governments cannot arbitrarily select any Cooperative Society for assistance.

4. Assistance to Physically and mentally challenged persons

4.1 The assistance can be provided to physically and mentally challenged persons irrespective of APL/BPL classification.

4.2 In order to assist the physically and mentally challenged people it is permissible to provide the following items free of cost.

(a) For the physically handicapped
   (1) Surgical shoes/ankle boots/moulded shoes/specialised leather chappals according to required measurements/micro cellular chappals with rubber sole/accommodative foot wears.
   (2) Orthopedic equipments/different kinds of corrective shoes
   (3) Artificial limbs/different kinds of legs, hands etc.
   (4) Walking aids/ different kinds of crutches, walkers
   (5) Lumbar Corset/ Spinal Brace/ Jacket/ Knee Brace/ Static or Dynamic Splints/Wheel Chair/Tri Cycles run by hand or by motor.

(b) For the hearing impaired
   Hearing aids

(c) For the mentally challenged
   (1) Items that are given to physically handicapped as required.
   (2) Tri cycles and wheel chairs made according to the health condition of the person concerned.
   (3) Designer furniture to the requirement of challenged children.

(d) For the vision impaired
   (1) Special equipments for movement, white cane
   (2) Hand held stand magnifiers with and without light, speech synthesizers, Braille attachments necessary for computers.
   (3) Braille attachment which is connected to telephone for vision impaired and hearing impaired.
   (4) Equipments to help braille writing – short hand Braille machine, Braille type writer for students who have passed 10th talking calculators, raised map globes etc.
   (5) Special study aids.

(e) Cost per unit of the above mentioned aids and their procurement would be as per the existing guidelines of the Health department; or procurement through Corporation for Physically & Mentally handicapped persons.
4.3 The following assistance can be given to the physically and mentally challenged students at the rates given below:-

**A) Physically Challenged students**

<table>
<thead>
<tr>
<th>Sl No.</th>
<th>Standard/course</th>
<th>Monthly scholarship/ Allowance (Rs.)</th>
<th>Yearly allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Daily commuters</td>
<td>Staying in Hostels</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1 to 4/Nursery classes</td>
<td>300</td>
<td>400</td>
</tr>
<tr>
<td>2</td>
<td>5 to 8</td>
<td>400</td>
<td>500</td>
</tr>
<tr>
<td>3</td>
<td>9, 10, +2</td>
<td>500</td>
<td>600</td>
</tr>
<tr>
<td>4</td>
<td>Degree</td>
<td>750</td>
<td>1000</td>
</tr>
<tr>
<td>5</td>
<td>PG</td>
<td>1000</td>
<td>1500</td>
</tr>
<tr>
<td>6</td>
<td>Vocational training</td>
<td>1000</td>
<td>1500</td>
</tr>
<tr>
<td>7</td>
<td>Conveyance allowance for orthopedically challenged</td>
<td>Rs. 150 per month or actual</td>
<td>-- --</td>
</tr>
<tr>
<td>8</td>
<td>Conveyance allowance for using the facility of institution</td>
<td>Actual</td>
<td>-- --</td>
</tr>
</tbody>
</table>

**B) Mentally Challenged Students**

<table>
<thead>
<tr>
<th>Item</th>
<th>Scholarship/ Allowance (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Monthly scholarship</td>
</tr>
<tr>
<td>2</td>
<td>Yearly dress allowance</td>
</tr>
<tr>
<td>3</td>
<td>Yearly allowance for study materials/educational tools</td>
</tr>
<tr>
<td>4</td>
<td>Conveyance allowance for daily commuters, expenses for excursion, study tour etc.</td>
</tr>
<tr>
<td>5</td>
<td>Allowance for mentally challenged persons of and above the age of 21 years who are staying day time in day care centres.</td>
</tr>
</tbody>
</table>

(i) In rural areas the funds required for giving above assistance may be shared by the three-tier Panchayats for which the following procedure may follow:

(a) The Grama Panchayat shall identify the physically and mentally challenged persons through the participatory need assessment process in NHGs while preparing the micro plan for developing the Anti Poverty Sub Plan.

(b) The Grama Panchayat shall publish the list of physically and mentally challenged persons in the notice board and read out in the Grama sabha.

(c) Invite applications from those who are left out – mainly those from the APL families or those families who are not members of the NHGs.

(d) Conduct a disability certification camp for the disabled with the participation of the DMO and specialist doctors.
(e) Assess the varying needs of the physically and mentally challenged and cost their needs.

(f) The total cost of the rehabilitation plan may be apportioned in the ratio of 50:30:20 among Grama, Block and District Panchayats.

(g) The Block and District Panchayats may be informed accordingly and the resources mobilised.

(h) The payment to the beneficiary has to be made from the Grama Panchayat.

(ii) Assistance permissible for mentally challenged children/persons can also be provided to those children/persons with growth related challenges, cerebral palsy, autism, etc.

(iii) Local Governments are allowed to disburse the scholarship directly to the institution on demand. In such cases the Local Governments should institute a monitoring mechanism to ensure proper care and development of challenged children.

4.4 Local Governments may set up special schools for the rehabilitation of the Physically & Mentally challenged children under the guidance of Kudumbashree. Honararium can be paid to qualified teachers at the rate of Rs. 3000 per month, helpers at the rate of Rs. 1500 per month and the specialists like physiotherapists and speech therapists at the rate of Rs. 250 per visit. Development Fund/General Purpose Fund/Own Fund can be utilised for this purpose.

5. Schemes/Programmes

5.1 Akshaya Programme

(1) The Akshaya programme of providing universal computer literacy, which was piloted in Malappuram District, has been rolled out to the remaining 13 districts. The scheme is being implemented by the Village Panchayats with co-funding from Block and District Panchayats, and Municipalities and Corporations for providing computer training to at least one person from every family. The local governments should provide the remaining funds required as per the detailed implementation plan. Training cost of beneficiaries would be as follows:

(a) Rural areas: Rs. 60 from Village Panchayats, Rs. 10 from Block Panchayats, Rs. 10 from District Panchayats and Rs. 40 from the beneficiary for one person per family.

(b) Urban areas: Rs. 80 from the Municipality/Corporation and Rs. 40 from the beneficiary for one person per family.

(2) Beneficiary contribution of SC/ST families may be met from the Development fund. In rural areas the beneficiary contribution of SC/ST families may be shared on Rs. 20 by the Village Panchayat and Rs. 10 each by the Block and District Panchayats per family.

(3) The local governments should deposit the required fund in the special TSB account opened for the purpose in the name of Member Secretary, District Planning Committee as per G.O(Rt.) 3330/04/Fin; dt. 05-05-2004.
5.2 Projects for mulberry cultivation and cocoon production:-

Local Governments may promote projects for mulberry cultivation and cocoon production for which technical support and financial assistance would be extended by the Kerala State Sericulture Cooperative Federation (Serifed). The objective is to implement the scheme in Village Panchayats showing the required potential identified by the Serifed.

(a) The project for planting 5000 mulberry saplings in one standard acre would be the appropriate unit. However projects for cultivation in 25 cents/50 cents/ one acre may also be considered.

(b) The project need be taken up only by the Village Panchayats having the scope to raise mulberry cultivation in a minimum area of 10 acres.

(c) Village Panchayats can give subsidy from their development fund subject to a ceiling of Rs. 12,500 per beneficiary for raising mulberry to the extent of a minimum of one standard acre (5000 plants). In case the area of cultivation by a beneficiary is below one standard acre, the subsidy rate can be reduced proportionate to the number of plants. Only farmers who produce 100 Kg of cocoons per acre (or proportion thereof) will be eligible for subsidy. The maximum subsidy to be given by Village Panchayat is as follows:-

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment for cocoon production (Capacity 200 DFL)</td>
<td>7500</td>
</tr>
<tr>
<td>Construction of shed for cocoon production (Floor Area : 800 sq. ft.)</td>
<td>5000</td>
</tr>
<tr>
<td>Total subsidy from Village Panchayat</td>
<td>12,500</td>
</tr>
</tbody>
</table>

In addition, the Central Silk Board and the Serifed would give Rs. 15,185 each as subsidy.

(d) The subsidy is limited only to small and marginal farmers both individuals and members of cooperative societies. Small and marginal farmers who cultivate mulberry in own or leased land will be eligible for the subsidy from Village Panchayats.

(e) The subsidy from the Village Panchayat will be released only after cocoon production is started.

(f) Mulberry cultivation and cocoon production should be in accordance with the technical advice from Serifed. The subsidy would be released only on the basis of certificate from the implementing officer designated by Serifed.

5.3 House-cum-workshed construction under Handloom Sector

Village Panchayats and Urban Local Governments can undertake the Centrally Sponsored Scheme for construction of House-cum-Workshed for workers in the handloom sector belonging to BPL families. Details are given below:-
(a) The House-cum-Workshed for handloom workers is a centrally sponsored scheme which would be implemented through financial assistance from Central Government, Local Governments and beneficiaries.

(b) The unit cost of a house-cum-workshed would be Rs. 35,000 in rural areas and Rs. 45,000 in urban areas. The funding pattern would be as indicated below:

<table>
<thead>
<tr>
<th>Sources</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Subsidy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Central share</td>
<td>18,000</td>
<td>20,000</td>
</tr>
<tr>
<td>(b) Share of Local Government</td>
<td>14,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Sub Total (1)</td>
<td>32,000</td>
<td>40,000</td>
</tr>
<tr>
<td>2. Beneficiary Contribution</td>
<td>3000</td>
<td>5000</td>
</tr>
<tr>
<td>Total (1+2)</td>
<td>35,000</td>
<td>45,000</td>
</tr>
</tbody>
</table>

The gap required to increase the cost upto the ceiling fixed for the housing scheme can also be given by the Village Panchayats and Urban Local Governments.

(c) The selection of beneficiaries would be through the Grama Sabhas/Ward Sabhas in accordance with the criteria laid down by Government of India. The list of beneficiaries selected in the Grama Sabha/Ward Sabhs would be furnished to the General Manager, District Industries Centres, who would forward the list to the Director, Handloom and Textiles.

(d) On approval by the Director of Handlooms and Textiles the amount under the central subsidy would be transferred to the Local Government concerned for implementation of the scheme with their share and beneficiary contribution.

5.4 Special Livestock Breeding Programme

Village Panchayats and urban local governments may contribute the subsidy from their development fund to the beneficiaries of Special Livestock Breeding Programme.

(a) The funding pattern per unit should be at the rate of Rs. 3250 by State Government, Rs. 3250 by local Government and Rs. 6500 by beneficiaries.

(b) The subsidy from the local government should be initially limited only to BPL families of general sector as well as SC / ST beneficiaries. If the coverage is achieved, the benefits of the scheme can be extended to APL families with prior approval of Government.

(c) The selection of beneficiaries under the scheme should be strictly in accordance with the norms and procedure laid down for selection of individual beneficiaries by local governments.

(d) Initially the State Government should release the subsidy to the Veterinary Surgeon (implementing officer) under intimation to the local government concerned. Thereafter, the local government would transfer its share to the implementing officer.
5.5 Projects for rabbies eradication and control of stray dogs

Village Panchayats, Municipalities and Corporations can undertake projects under general sector for rabbies eradication and control of stray dogs. The operational details of the programme are given below:

(a) Conduct rabbies eradication awareness campaign
(b) Assess the number of dogs in the locality which require vaccination
(c) Issue bulk order for purchase of vaccine according to the actual requirement
(d) Identify social workers to carry out the campaign and give them training under Kudumbashree and Kerala Total Sanitation and Health Mission. The trained persons may be designated as "authorised consultants" for implementing the programme.
(e) The actual cost of vaccine required for the domestic dogs of BPL families may be given as subsidy from the development fund. The cost of vaccine required for domestic dogs of APL families may be recovered from the concerned and remitted as revenue of the local government. However, the expenses for vaccinating the stray animals can be met from development fund.
(f) The vaccine required for the project may be purchased from the ‘Institute of Animal Husbandry and Veterinary Biological, Palode, Thiruvananthapuram’ functioning under the Animal Husbandry Department. The cost of vaccine can be paid in advance.
(g) The expenses for training of volunteers, organizing campaign etc can also be met from development fund.

5.6 House sites for the poor

(a) A conscious effort should be made to identify all the absolutely landless people. While doing so people who are likely to inherit land from their parents or spouse should not be included. First priority should be given to those who are poramboke dwellers especially on Railway poramboke and road poramboke and other poramboke where they can never get pattas.
(b) Land for houses can be purchased by local governments using development fund for all categories of people below poverty line who do not have any house site. For this the land has to be identified by the Village Panchayat/Urban Local Government concerned and purchased at the price fixed by the District Collector. If the owner of the land is not willing to give his land at the price fixed by the District Collector, the local government can even give a solatium up to 30 % above the valuation fixed by the District Collector. For such decision, unanimous resolution of the local government would be necessary with specific reasons for the increase. District Panchayats and Block Panchayats can take up distribution of house sites only through Village Panchayats. For purchase of land the procedure laid down in G.O.(P) No. 18/98/LAD dt. 22-01-1998 has to be strictly adhered to.
(c) Though distribution of house sites can be made to all eligible people below poverty line as per the procedure described above, only in the case of SC/STs, destitute families identified under Ashraya and poramboke dwellers like railway, road poramboke for all categories of beneficiaries local governments
can subsidise purchase of house sites on their own by beneficiaries. Under this scheme, for minimum 3 cents in rural areas and 1½ cents in urban areas subsidy to the tune of Rs. 30,000 in rural areas, Rs. 40,000 in Municipal areas and Rs. 50,000 in Corporation areas or actual value in the document whichever is less can be given as Demand Draft to the seller of the land.

(d) In the case of Municipalities and Corporations the development fund earmarked for slum development can be used for rehabilitation of poramboke dwellers who do not have any land or who would not inherit land, even if they are not now living in notified slums.

5.7 **Assistance for marriage of SC/ST girls**

Village Panchayats, Municipalities and Corporations can take up schemes for giving assistance to the marriage of daughters of SC/ST parents. Assistance at the rate of Rs. 5000 can be given to the marriage of girls belong to BPL families.

5.8 **Insurance schemes**

Local Governments may contribute only to insurance schemes which are approved by Government. This applies to accident insurance, health insurance, livestock insurance etc. Contribution to insurance scheme for the coconut tree climbers should be as per the provisions in G.O.(MS) No. 54/2005/Plg. dt. 25-08-2005.

5.9 **Projects for legal literacy programme**

Village Panchayats and District Panchayats may take up projects for legal literacy programme promoted by Kerala State Legal Services Authority for the students in IXth standard in Government High Schools. The actual expenditure shall be subject to a ceiling of Rs. 3000 per school, shared on the basis of 50:50 between the Village Panchayats and District Panchayat and may be met from the development fund under general sector.

5.10 **Schemes for better education to bright SC / ST Students.**

District Panchayats, Municipalities and Corporations may take up projects for admitting Scheduled Caste and Scheduled Tribe students belonging to Tamil and Kannada linguistic minorities in reputed residential schools in Tamil Nadu or Karnataka under the scheme Better Education for Bright Scheduled Caste/ Scheduled Tribe Students.

6. **General Norms/Clarifications**

6.1 **Individual beneficiary oriented asset distribution programmes**

Only Village Panchayats, Municipalities and Corporations need undertake individual beneficiary oriented asset distribution programmes with the following exceptions.

(i) District and Block Panchayats can take up projects for distribution of house sites but the implementation should be through the Village Panchayats.

(ii) District and Block Panchayats can take up projects for construction of new houses, repair of houses and shelter upgradation for SCs and STs but the implementation should be through the Village Panchayats.

(iii) In the districts where special drinking water supply and Total Sanitation projects are under implementation, the District and Block Panchayats may also
share the subsidy given to households and other items according to norms to be decided by the DPC.

(iv) Block Panchayats can take up projects for reconstruction of dilapidated houses under OLH scheme provided all such houses owned by the BPL families in a colony are covered. Assistance can be given as per the subsidy norms for the housing scheme.

6.2 **Restriction on salary/honorarium**

No salary can be paid from the development fund. However, short duration honorarium or consultancy charges may be paid subject to a maximum of six months and it should in no way cause any commitment to long run salary expenditure of the local governments with the following exemptions.

(i) Honorarium subject to a maximum of Rs.150 per month that may be paid to Anganwadi Workers and Rs. 75 to Anganwadi Helpers for the services in mobilizing women in the Grama Sabhas/Ward Sabhas and assisting the implementation of Kudumbashree Programme.

(ii) Honorarium that may be paid to the qualified teachers, helpers and specialists for the special schools (BUDS) set up and run by the Local Governments under the guidance of Kudumbashree.

6.3 **Expenses on Plan Formulation and Monitoring**:

(a) For preparation of Annual Plan (2007-08) and Eleventh Five Year Plan Local Governments may spend up to 1% of their total Development fund, from the General sector share subject to the following ceiling.

<table>
<thead>
<tr>
<th>Local Governments</th>
<th>Ceilings (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village Panchayat</td>
<td>1,00,000</td>
</tr>
<tr>
<td>Block Panchayat</td>
<td>60,000</td>
</tr>
<tr>
<td>District Panchayats</td>
<td>70,000</td>
</tr>
<tr>
<td>Municipalities</td>
<td>1,00,000</td>
</tr>
<tr>
<td>Corporations</td>
<td>1,20,000</td>
</tr>
</tbody>
</table>

(b) For monitoring of Plan implementation Local Governments may spend their Development fund subject to the ceilings indicated below:

<table>
<thead>
<tr>
<th>Local Governments</th>
<th>Ceilings (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village Panchayat</td>
<td>20,000</td>
</tr>
<tr>
<td>Block Panchayat</td>
<td>50,000</td>
</tr>
<tr>
<td>District Panchayats</td>
<td>75,000</td>
</tr>
<tr>
<td>Municipalities</td>
<td>30,000</td>
</tr>
<tr>
<td>Corporations</td>
<td>50,000</td>
</tr>
</tbody>
</table>

For each year, expenditure report on the above two items has to be submitted for special verification of the Performance Audit Team.

6.4 **Purchase of Vehicles**

Vehicles can be purchased using Development fund only as per provisions of G.O.(MS) No. 86/2006/LSGD dt. 31-03-2006.
6.5 **Purchase of Medicines**

Local governments may purchase medicines from ‘Oushadhi’ and ‘Ayurdhara’ for Ayurvedic Hospitals/Dispensaries and from the Kerala State Homeopathic Cooperative Pharmacy Ltd., for the Homeopathic Hospitals/Dispensaries. In both these cases the rates applicable to the Department can be followed. Permission is also given for purchase of allopathic medicines.

6.6 **Revolving fund to NHGs/ADS/CDS**

The Village Panchayats, Urban Local Governments and Block Panchayats can provide revolving fund only to NHGs/ADS/CDS of Kudumbashree, linked with specific projects. However, the local governments should not utilize their development fund for distribution of working capital, loan, revolving fund etc to other types of Self Help Groups.

6.7 **Revolving funds to farmers’ groups and Padasekhara Samithies**

Instead of subsidies, revolving funds may be given for farmers’ groups and Padasekhara Samithies after clearly specifying the purposes for which revolving funds can be used. Revolving fund may be provided through the cooperatives so that inputs can be given in kind.

6.8 **Subscription charges for the website**

Local Governments may meet the subscription charges for the website being hosted by Information Kerala Mission, exclusively for the use of Local Governments. Development fund/General Purpose Fund/Own fund can be utilised for this purpose. The annual rates are given below:

<table>
<thead>
<tr>
<th>Local Government</th>
<th>Amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Village Panchayats</td>
<td>1500</td>
</tr>
<tr>
<td>(ii) Block Panchayats and Municipalities</td>
<td>3000</td>
</tr>
<tr>
<td>(iii) District Panchayats and Corporations</td>
<td>6000</td>
</tr>
</tbody>
</table>

6.9 **Restriction on awareness camps, melas etc.**

Local governments shall not take up unproductive schemes like awareness camps, campaigns, melas, tours etc. However, they can conduct awareness camps to prevent diseases and to organize sales melas for products under SGSY, SJSRY, Kudumbashree etc. Medical camps using Development fund may be limited to remote tribal hamlets.

6.10 **Purchase of sodium vapour lamps**

Local Governments shall not take up projects for installation/replacement of Sodium Vapour Lamps/Mercury Vapour Lamps/High Volt Incandescent Lamp using development fund.

6.11 **Training programmes**

As far as training programmes are concerned they should be for people below poverty line. Only those programmes which result in a self-employment venture or which have an assured job market for wage employment should be taken up.
6.12 Public Works

(i) All works except the following should be tendered.

(a) Any work costing up to Rs. 50,000 can be executed through beneficiary committees.

(b) Projects for Schools and Anganwadis where the PTAs are willing to directly undertake construction, may do so even if the cost is more than Rs. 50,000.

(c) Irrigation and Water supply works which have the mandatory contribution from the beneficiaries can be executed through the beneficiary groups themselves even if the cost is more than Rs. 50,000.

(ii) Splitting of works is not permissible.

(iii) Mason’s units of Kudumbashree could be entrusted with execution of public works as community contracting. CDS should monitor the execution of such works. The procedure will be the same as in the case of accredited agencies.

(iv) In order to avoid high cost of advertisement the works may be tendered through a single advertisement. Also the tender notice should be put up in the official website for public information. In order to ensure transparency and accountability of tendered works, Monitoring Committees consisting of beneficiaries would be set up selected in the same manner as the Executive Committee of a Beneficiary Committee.

(v) For construction works intended to be completed over more than two years it should divided into appropriate phases each of which have to be tendered separately. However if a work can be completed drawing funds from two successive years it could be tendered during the first year in such a way that funds are utilized from both the years and it can be completed without a break.

6.13 Water supply schemes

(i) In the case of water supply schemes beneficiary groups have to be formed of all families benefited and at least 10% of the capital contribution should be mobilized. There can be cross subsidies as decided by the community. The O&M responsibility should be taken up by the beneficiary group. The beneficiary contribution for water supply projects would be as 10% cash for general sector beneficiaries. In the case of SC/ST beneficiaries at least 2% of the contribution has to be in cash and the remaining portion as labour or in kind. However no beneficiary contribution would be required where the work is only for repairs or change of existing pipes. Similarly beneficiary contribution of 10% is not compulsory in the case of public open draw wells which are used only as draw wells. Development fund/own fund should not be used for meeting the beneficiary contribution of Jalanidhi and other Water Supply projects. The mandatory provision of beneficiary contribution should be collected in cash and remitted in the accounts of the local government before the agreement is executed with the beneficiary committee/implementing agency.

(ii) Projects for digging of wells for drinking water purpose in the estate lands owned by the private parties in Idukki and Wayanad Districts can be taken up by the Local Governments concerned based on an agreement to be executed
with the land owners that they have no objection in using the wells by the public and will facilitate its public use.

6.14 Minimum allocation of projects
The District Panchayats shall not take up projects costing less than Rs. 15 lakh. Similarly the minimum allocation of projects for Block Panchayats/ Municipalities would be Rs. 5.00 lakh and that of Corporation would be Rs. 15 lakh. However, in certain unavoidable and emergency cases like completion and commissioning of a project started earlier or projects meant for combating drought / flood and other natural calamities, projects costing less than the prescribed minimum allocation can be taken up. In the case of projects for the repair, renovation, maintenance or additions to existing infrastructure and purchase of equipments to the institutions transferred, this limit is not applicable.

6.15 Administrative and Technical Sanctions
For all schemes including State and Centrally sponsored schemes implemented by local governments the Administrative Sanction should be issued by the local government concerned and Technical Sanction issued by the Technical Advisory Group concerned. This would include schemes like SGRY, RCRSP, SSA etc.

6.16 OYEC charges to Irrigation/Water supply schemes
Local governments can spend their development fund for providing electricity for drinking water and irrigation projects and house connection to Scheduled Tribes under Own Your Electric Connection (OYEC) system. However, OYEC charges for house connections to others shall not be met from development fund.

6.17 Utilisation of Own fund/Beneficiary Contribution
(i) In all cases where beneficiary contribution has to be paid it has to be calculated on the total cost of the project even if it is an integrated project with other Centrally Sponsored or State Sponsored Schemes.

(ii) The beneficiary contribution for projects should be collected in advance and remitted as own fund of the local government and released at appropriate time to the contractor / implementing agency, unless instructed otherwise.

(iii) The Village Panchayats and urban local Governments may utilize their own fund as supplementary assistance for implementing projects under SCP / TSP.

(iv) While local governments are free to integrate their own funds with development funds and beneficiary contribution with both the development fund and own funds, in no way should the quantum of development funds be increased to substitute shortfall in expected own funds or beneficiary contribution. In other words only if the local government is absolutely sure of mobilizing own funds or getting beneficiary contribution should this be included in a project.

6.18 Ayacut area of irrigation schemes
For determining ayacut area of irrigation schemes certificate issued by the Agriculture Officer is sufficient.
6.19 **Restriction for constructing foot bridges by BPs and DPs**

The District Panchayats and Block Panchayats shall not take up projects for construction of foot bridges under general sector and Special Component Plan. However, construction of foot bridges and foot steps can be taken up wherever they are of use only to tribal hamlet under Tribal Sub Plan by them.

6.20 **Selection of Beneficiaries**

(a) While selecting the beneficiaries all identified families under Asraya would automatically qualify for schemes relating to provision of house plots, construction of houses, upgradation of houses, construction of toilets, electrification of houses and provision of smokeless choolahs.

(b) For all schemes meant for people below poverty line the beneficiary selection shall be through a three stage process – first, through the conventional mechanism of calling for applications and assigning marks; second, through reverification of these applications and the marks awarded through the NHG network under the Community Development Societies of Kudumbashree and finally, through discussion and approval of the list of beneficiaries in the Grama Sabha/Ward Sabha in which the marks awarded by the local governments as well as the comments of the CDS have to be considered in detail.

6.21 **Other items**

(i) Local governments may provide infrastructure for IT@school projects in government schools and for Copra/Pepper drying units and bio-fertilizer units of CDSs.

(ii) As Veterinary Polyclinics have been transferred to Block Panchayats, the Block Panchayats can take up projects for improving facilities in Veterinary Polyclinics.

(iii) Village Panchayats should take steps to complete Panchayat Resource Mapping and set apart the funds needed for it.

(iv) Village Panchayats can utilise Development fund for purchase of furniture/construction of buildings to LP schools, which are part of High Schools/Higher Secondary Schools transferred to the District Panchayats.

(v) Water supply and toilet construction projects may be implemented by Local Governments in aided primary schools after covering all government schools.

(vi) Projects for line extensions shall be taken up only based on RGGVY/Total Energy Security Mission. The metering may be done on the basis of feeder mapping.

(vii) Projects for distribution of CFL shall be taken up by the Local Governments only after the Government of India programme for CFL distribution is announced.

(viii) Local Governments shall not take up Projects for CFL manufacturing/assembling.

(ix) Individual as well as community bio-gas plants shall be taken up only on integration with Total Energy Security Mission.

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