

Rural Development and Panchayat Raj (CGS-III) Department

G.O.Ms.No.142

Dated: 4.09.2008

Read:

1. G.O.Ms.No.65, Social Welfare and Nutritious Meal Programme (SW.3-2) Department dated 07.11.2005.
2. G.O.Ms.No.152, Rural Development and Panchayat Raj (CGS II) Department dated 20.10.2006.
3. G.O.(Ms) No. 131, Rural Development and Panchayat Raj (CGSI) Department dated 19.7.2007.
4. From the Project Director , Vazhndhu Kaatuvom Project D.O.Lr.No. 494/ VKP-C2/2008 dated 14.08.2008.

ORDER:

In the Government Order 2nd read above orders were issued sanctioning Rs.4370.00 lakhs for formation and strengthening of Village Panchayat Institutions, Village Fund, Institutional strengthening at District and State Level and also for Project Management at State and District level of Vazhndhu Kaatuvom Project for the year 2006-07. In the Government Order 3rd read above orders were issued sanctioning Rs.9076.03 lakhs for implementation of the above said Project during 2007-08.

2. The Project Director, Vazhndhu Kaatuvom Project in his letter 4th read above has proposed various activities for implementation of the Project during 2008-09 as detailed below:-

- (i) The first phase and second phase village Panchayats i.e. 1177 Village Panchayats will implement activities under Village Poverty Reduction Committee (VPRC) Fund. In addition first phase panchayats will access livelihood fund and commence activities.
- (ii) The third and fourth phase panchayats will complete the initial project activities like communication campaigns, participatory identification of the poor, Village Poverty Reduction Committee formation and Self Help Group formation.

3. The Project Director, Vazhndhu Kaatuvom Project has further stated that the social mobilization and institution building activities have been completed in the first two phases and a strong foundation has been laid. The proposed realistic expenditure and funds needed for the financial year 2008-09 after taking into account the unspent funds available with the project are detailed as below:-

Estimated budget for 2008-09:

SL.No.	Component	Budget for 2008-09 (Rupees in Crores)
(i)	Formation and Strengthening of Village Institutions	19.006
(ii)	Village Fund	116.470
(iii)	Institutional Strengthening	3.480
(iv)	Project Management	10.120
	TOTAL	149.076
	Unspent Funds available as on 1.4.08	121.330
	Fund Required for the year 2008-09	27.746

i) Formation & Strengthening of Village Institutions (Rs.19.006 crores)

- a) To implement this project, project facilitation teams (PFT) each consisting of four facilitators with one team leader are constituted with the key responsibilities of forming and strengthening local institutions of the poor in the village.
- b) Each project facilitation teams covers about 10 / 15 Village Panchayats. 172 Project Facilitation Teams are working in the cluster level. The facilitators have to orient the Village panchayats, to follow the project principles and implement the project in their village through a Grama Sabha resolution. Then Village Panchayat initiation fund is released to these Panchayats to undertake start up activities of the Project. It is proposed to release Village panchayat initiation fund of Rs.35,000 per panchayat in third and fourth Blocks.

(ii) Village Funds (Rs.116.470 crores)

- a) Village Poverty Reduction Committee at the village Panchayat level is constituted by Gram Sabha with membership ranging from 10 to 20. VPRC is accountable to the Gram Sabha and is responsible for implementation of the project. Each hamlet in the Village would be represented in the VPRC through a women Self Help Group member elected from the target poor. Two target youth are also inducted into the VPRC to represent the needs of the youth.
- b) From District level, on attainment of stipulated milestones VPRC funds will be released in three instalments (i.e. 40%, 40% and 20%) to Village Poverty Reduction Committees (VPRCs). These funds are to be utilized to form Self Help Groups of the left out poor, develop skill and provide job opportunities, provide seed funds for new Self Help Groups and to provide special assistance to the disabled and vulnerable people. It is proposed that VPRCs of first two phase blocks will receive both First and second instalments and VPRCs of third phase blocks will receive first instalment of VPRC fund.

- c) Livelihood Fund is intended for providing an enabling environment to undertake profitable economic activities and to create gainful employment opportunities for the poor.
- d) Village level institutional structure has been revised to ensure that the livelihood fund is managed by an institution that represents Self Help Groups and is decentralized and empowered to take the decisions. This would mean restructuring current Panchayat Level Federations (PLFs). It is proposed to operate the Livelihood corpus fund as revolving fund through Panchayat Level Federations to provide loan to eligible Self Help Group members.
- e) District Societies will release Livelihood corpus funds to VPRCs based on achievement of the milestones contained in the financing agreement. VPRCs in turn will release these funds to Panchayat Level Federations. It is proposed that VPRCs of I Block will receive Livelihood corpus fund during this year.

iii) Institutional strengthening (Rs.3.480 Crores)

- a) At district level to implement this project effectively, a District Society with one District Project Manager, 7 Assistant Project Managers and support staff is formed.
- b) At State Society under the direct control of Project Director a State team consisting of one Additional Project Director and 14 specialists in different functional areas are on board to assist the implementation of this Project. For institutional strengthening a sum of Rs.3.480 Crores is expected to be spent during the year.

(iv) Project Management Cost (Rs. 10.120 Crores)

The elements of Project Management cost of State and District level Societies include administrative cost, office running expenses, cost of works, consultancies, procurement of equipments etc of the Societies. A sum of Rs.10.120 Crores is expected to be spent during the year.

4. The Project Director, has therefore, requested the Government to sanction a sum of Rs.27.746 crores under the Vazhdhu Kaattuvom Project for the year 2008-09. He has also requested that the Commissioner of Rural Development and Panchyat Raj, Chennai may be authorized to draw and disburse the amount to the Project Director, Vazhdhu Kaattuvom Project.

5. The Government after careful examination, have decided to accept the above proposal of the Project Director, Vazhdhu Kaattuvom Project. Accordingly the Government sanction and release a sum of Rs.27.746 crores (Rupees twenty seven crores seventy four lakhs and sixty thousand only) to the Project Director, Vazhdhu Kaattuvom Project for the implementation of the Project for the year 2008-09.

6. The amount sanctioned in para 5 above shall be debited to the following head of account.

"2235 Social Security & Welfare - 02.Social welfare - 103. Women's Welfare Schemes in the Eleventh Five Year Plan II State Plan - PD.World Bank aided TamilNadu Empowerment and Poverty Reduction Project - 09. Grants - in - Aid - - 03. Grants for Specific Schemes" (DPC 2235 - 02 - 103 - PD-0931).

7. The Commissioner of Rural Development and Panchayat Raj is authorized to draw the amount sanctioned in para 5 above and disburse the same by means of cheque to the Project Director, Vazhndhu Kaatuvom Project, Chennai.

8. The Project Director, Vazhndhu Kaatuvom Project is requested to send the Utilisation Certificate to the Accountant General, Government and Commissioner of Rural Development and Panchayat Raj.

9. This order issues with the concurrence of the Finance Department vide its U.O.No.193/DS(B) /08 dated 28.8.2008.

(By Order of the Governor)

**K.ASHOK VARDHAN SHETTY
PRINCIPAL SECRETARY TO GOVERNMENT**