OFFICE MEMORANDUM

Subject: Relaxation of Norms under JNNURM particularly Utilization of Additional Amount during Annual Plan 2008-09 - Regarding.

Planning Commission has recommended an Additional Grant of Rs.4200 crore for JNNURM for the Annual Plan 2008-09 which has been approved by the Parliament. To absorb such funds during the current year, a few modifications in the existing norms for approval are being made without deviating too much from the existing principles of allocations of ACA of JNNURM among States given vide Planning Commission’s letter No.PC/H/4/3/2005-HUD dated 2.7.2007 and No.PC/H/4/3/2006-HUD (Vol.IV) Part dated 21.1.2008.

2. For the UIG component, the following modifications may be permitted. This will meet the requirements of the programme for the supplementary fund released and for the higher allocations proposed in the next year pending raising of the overall ceiling and the extension of the period mentioned earlier:

   (i) Notwithstanding the presently allocated ceilings for different States and Union Territories:

      (a) every Mission Town should be sanctioned at least one project and those in the pipeline should be accorded higher priority so that work can start immediately.

      (b) Projects which have already been sanctioned and for which first instalment has been released should be allowed to be completed.

   (ii) Additionally all Mission cities may be given one more project with a ceiling of ACA of Rs.100 crore for towns with million plus population or being a State capital city and Rs.50 crore for other Mission towns.

3. For the UIDSSMT component:

   (i) For the towns for which projects have already been sanctioned by the State Level Approval Committee and for which releases are yet to be made, one project per town can be taken up for release out of the supplementary allocations.

   (ii) After covering the case of (i) above, cases of districts which still remain uncovered by any sanctioned project for single town may be taken up on priority. While doing so the town with the highest population in these residual districts may be covered. For each such projects, a commitment of not more than Rs.25 crores may be made.
4. For the components of the JNNURM handled by the Ministry of Housing and Urban Poverty Alleviation, an additional allocation of Rs. 500 crores has been provided in the second supplementary project. In order to enable them to spend this amount for projects which are already ripe for release, the following relaxation may be given:

Notwithstanding the presently allocated ceiling for different States and Union Territories additional funds out of Rs. 500 crores may be allocated by making detailed assessment of the ability to spend the money and start or complete projects. While doing so, it may be ensured that the funds are distributed properly and not limited to a few States. The requirements of the North Eastern States may also be taken care of on priority.

5. It may be noted that this is being done to meet the urgent and immediately requirement and eventually the States ceilings will have to be suitably revised upward within the overall new ceiling for the Mission.

6. Ministry of Finance/Ministry of Home Affairs are requested to take action to release the ACA to States/UT respectively as per recommendation of the Ministries of Urban Development and Housing & Urban Poverty Alleviation.

6. This issues with the approval of Deputy Chairman, Planning Commission.

(Harish Chandra)
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Secretary
Department of Expenditure
Ministry of Finance
North Block
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Copy to:

i. Secretary, Ministry of Urban Development, Nirman Bhavan, New Delhi
ii. Secretary, Ministry of Housing and Urban Poverty Alleviation, Nirman Bhavan, New Delhi
iii. Secretary, Ministry of Home Affairs, North Block, New Delhi

Copy also for information and appropriate action:
Chief Secretaries, State/UTs