

By e-mail

No. 9/4/2022-DDVI (E- 9137529)
Government of India
Ministry of Housing and Urban Affairs
(Delhi Division)

Nirman Bhawan, New Delhi
Dated 17th April, 2023

To

The Vice Chairman,
Delhi Development Authority,
Vikas Sadan, INA,
New Delhi.

Subject: **Special Development Fund (SDF) Operation & Management Guidelines, 2023- reg.**

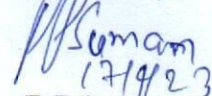
Sir,

I am directed to refer to the letter no. F.1(1) CUCC/CLM/DDA/2019/SDF/79 dated 26.12.2019 on the above mentioned subject and to forward herewith the Special Development Fund Operation & Management Guidelines, 2023 for necessary action.

2. This issues with the approval of Hon'ble Minister for Housing and Urban Affairs.

Encl. As above.

Yours faithfully,


(P P Suman)

Section Officer (DD-VI)

Tel: 23063267

Guidelines for Special Development Fund (SDF) Operation and Management Guidelines, 2023.

Whereas Ministry of Housing & Urban Affairs (MoHUA), Government of India, vide its Letter No.9/2/2015-DDVI dated 28.10.2019 conveyed the approval of the Union Cabinet for conferring/ recognizing ownership or transfer/mortgage rights to the residents of Unauthorized Colonies (UCs) in Delhi, subject to certain conditions mentioned therein;

And whereas it was decided that the proceeds of payment of one time charges in respect of properties situated in the identified UCs in Delhi, will be utilized for development of civic and other infrastructure in such UCs. For this purpose, a separate fund, namely, the Special Development Fund (SDF) would be established, and separate instructions will be issued regarding the procedure for the operation and management of the said fund.

In order to operationalize the said SDF, MoHUA hereby makes the following guidelines for operation, management and funding of projects from SDF and related aspects thereto:

1. Short title and commencement

1.1 These Guidelines may be called the “Special Development Fund (SDF) Operation and Management Guidelines, 2023”.

1.2 They shall come into force with effect from the date of their approval by the Competent Authority in the Ministry of Housing & Urban Affairs.

2. Definitions

2.1 “Competent Authority” means the Minister of Housing & Urban Affairs, Government of India whose approval shall be required for sanctioning/ approving the projects for funding from SDF; and

2.2 “Urban Local Bodies (ULBs)”, in the context of these Guidelines, include **Municipal Corporation of Delhi (MCD)**, New Delhi Municipal Council (NDMC) and Delhi Development Authority (DDA)

3. Objective of SDF

3.1 Under the guidelines of ‘**Special Development Fund (SDF) Operation and Management Guidelines, 2023**,’ SDF will provide financial assistance in the form of grants, for development of UCs in Delhi for the purpose of meeting the expenditure. This will mostly relate to Social and Physical infrastructure, **Capital** projects for **Transportation, Sanitation, Water, Power, Social Infrastructure** with priority for **measures to decongest** such UCs in Delhi.

3.2 The financial assistance from SDF shall not be given for meeting the land acquisition cost and the expenditure of revenue nature such as O&M expenditure, salaries & allowances, establishment cost, etc

4. Agencies/ organisations eligible to avail SDF funding:

All Ministries, Departments, Organizations, Statutory Bodies, PSUs wholly owned by and under the control of the Central Government or Govt. of NCT of Delhi (GNCTD) or any of the urban bodies, or the urban local bodies themselves can avail funds under SDF either for the projects being implemented by them, or towards Viability Gap Funding for Public-Private Partnership projects in which they have equity stakes in the project for such UCs.

5. Procedure for examination of projects

5.1 The Implementing Agency, desirous of availing funds from SDF, shall submit a proposal for funding along with **Detailed Project Report (DPR)**, to DDA. The DPR should contain detailed objectives and the benefits that will result from the project, project schedule, detailed cost estimate, detailed funding pattern clearly showing the proposed contribution from all sources including SDF along with the nature of contribution, e.g. equity, loan, grant, etc.

5.2 The proposal for funding under SDF shall be submitted to DDA by the Implementing Agency, with the approval of the concerned Ministry in the Central Govt. or GNCTD or the concerned urban local body, i.e., MCD or NDMC or DDA, as the case may be.

5.3 **The Implementing Agency, with the approval of their concerned Ministry/Department will submit proposal to DDA, (i.e. CAO/Member Secretary, PSC with a copy to EM-DDA).** The DDA will get the proposal technically & financially appraised and ascertain the suitability of the project.

5.4 The project proposal shall be technically and financially appraised by Engineering and Finance Wing of DDA, in consultation with the Implementing Agency and the sponsoring Government or the concerned urban local body. For this purpose whatever clarification required by the DDA, needs to be expeditiously attended by the concerned implementing agency/department.

5.5 The appraisal shall include examination of all the aspects of the project, including the following:

- (i) The project meets the present and future requirements of the area/population it aims to serve;
- (ii) The technical parameters are sound, realistic, technically feasible and meet the various required/ recommended standard guidelines;

- (iii) The cost estimates are reasonable and as per the PWD/ CPWD common schedule of rates or any other such schedule of rates specified by various Government organisations or regulatory authorities;
- (iv) The project is economically viable;
- (v) The required funding from all sources, besides SDF, has been tied up and the funding agencies have committed to such funding;
- (vi) The Implementing Agency has the organizational capacity to execute the project as per the proposed implementation schedule and technical specification;
- (vii) Any adverse environmental and social impact have been taken care of to minimize the same through mitigation measures and compliance with extant laws and rules in this regards; and
- (viii) The Implementing Agency has organized and / or accounted for the staff and other resources for project implementation and its operation & maintenance.

5.6 After appraisal of the project(s), VC, DDA shall ascertain the suitability of the project proposal(s) for funding under SDF. DDA shall place such project(s), along with its recommendations and a self-contained Executive Summary, before the Project Sanctioning Committee (PSC) for consideration for funding them from SDF. The recommendations should clearly indicate the following aspects of proposed funding from SDF:

- (i) Amount of funding required as grant;
- (ii) Number of tranches for release of funds, and project milestones which shall trigger the release of a tranche; and

5.7 The PSC may accept with or without modifications, or reject the proposals placed before it. The constitution of the PSC is given in clause 8 of these Guidelines.

5.8 The recommendations of the PSC shall then be submitted to the Competent Authority for consideration/ approval of the proposals for funding under the SDF.

6. Pattern of funding from SDF

6.1 Funds from SDF shall be provided as grants to the Implementing Agency.

6.2 To become eligible for the funding under SDF, a minimum of 20% of the cost of the project should have to be arranged by the Implementing Agency from sources other than SDF. However, the PSC may exempt the project from this requirement in public interest with the reasons for such exemption to be recorded in the minutes of PSC's meeting.

7. Disbursal of funds and post-sanction activities

7.1 After approval by the Competent Authority, the disbursal of funds shall be done by DDA in installments according to the terms & conditions for release of funds as may be specified generally for this purpose or specifically for the project as approved by the Competent Authority.

7.2 DDA shall frame detailed procedure and forms for disbursement of funds, signing of agreements, monitoring progress of the projects, etc

8. Project Sanctioning Committee (PSC)

8.1 The Project Sanctioning Committee, (PSC) consisting of Secretary, Ministry of Housing and Urban Affairs as Chairperson and Chief Secretary, GNCTD, JS/AS, MoHUA (dealing with DDA), Vice Chairman, DDA, JS & FA, MoHUA as Members and Chief Accounts Officer, DDA as Member Secretary will recommend the funding of the Projects for the approval of Hon'ble Housing & Urban Affairs Minister. After the approval of the Competent Authority, the funds can be disbursed by the DDA, as Grant from SDF.

8.2 The PSC shall meet, as and when required

8.3 Member Secretary, PSC shall prepare the agenda in consultation with JS/ AS, MoHUA (dealing with DDA). The agenda shall be circulated to the members of PSC by Member Secretary.

8.4 The agenda shall, among other things, include:

- i. Summary as well as the details of the status of SDF including balance amount, forecast of balance in future after accounting year-wise for expected recoupments, existing commitments, etc.; to enable the PSC to have a clear picture of the available funds;
- ii. A separate agenda item for each project to be considered for sanction of funding under SDF; and
- iii. An agenda item to apprise the PSC of the progress of implementation of projects receiving funds from SDF.

8.5 The decisions taken by the PSC shall be communicated in the form of minutes of PSC's meeting by Member Secretary after the approval of Chairperson, PSC.

9. Management of SDF

9.1 DDA shall monitor the implementation of the projects to ensure the receipt of utilization certificate in respect of the funds received by the Implementing Agency, at the time of release of each subsequent installment of the approved grants.

9.2 DDA shall prepare a suitable forecast of cash flows and invest the surplus funds in short term/long term deposits, securities, etc.

9.3 Within three months of the end of each financial year, DDA will furnish a statement to MoHUA, with the approval of VC, DDA, consisting of the following details of SDF:

- (i) Opening balance at the beginning of the year;

- (ii) Accumulation and withdrawals during the year;
- (iii) Utilization of withdrawal, project-wise, against the approved financing;
- (iv) Recoupment during the year, project-wise, relating to the withdrawal of the previous years indicating year-wise withdrawals; and
- (v) Closing balance as on 31st March of the financial year.

9.4 **Audit:** The accounts of SDF shall form part of the DDA annual accounts, and shall be audited by the CAG of India, as per the existing practice in this regard.

10. Amendments to these guidelines and directions thereon

10.1 These Guidelines shall be amended, if and when the need for doing so arises, by MoHUA.

10.2 MoHUA can issue directions to clarify any aspects related to these Guidelines.