



NATIONAL COOPERATIVE
DEVELOPMENT CORPORATION
राष्ट्रीय सहकारी विकास निगम

4 - Siri Institutional Area,
Hauz Khas, New Delhi 110016,
Phone No. 26966206,26563105
Fax : 011-26962370,26516032
Email:scupadhyay@ncdc.in

No. NCDC: 4-2/86-ICDP

January 20, 2010.

The Secretary Incharge of Cooperation
All States

Sub: Implementation of IDCP – Change in powers of PIA for diversion of funds under the Project – Reg.

Sir,

As you are aware, the Corporation, vide its letter of even number dated 29.08.2007 (copy enclosed), had allowed Project Implementation Agencies (PIAs) of ICDP projects to make intra-sector and inter-sector allocations / diversion of funds to the extent of 15% of the original outlay for that sector / item and, vide circular of even number dated 22.10.2007 (copy enclosed), it was clarified that the outlays for PIT, training, incentives, etc. under the head Manpower Development, Training and Incentives shall not be changed by the PIA.

Based on the feedback received from various on-going ICDP projects and related agencies, the Corporation has now decided to further delegate the powers for allowing diversion of funds to PIAs and the State Departments as under:

1. PIA is allowed with the approval of DLCC to undertake intra-sectoral and inter-sectoral reallocation / diversion of funds upto 10% of the total project outlay for any activity / sector without any escalation in unit cost approved under the project with intimation to NCDC HO. However, this will not cover the outlays for PIT, training and incentive;
2. Diversion of funds more than 10% of the project outlay and maximum upto 20% of the project outlay including escalation in the unit cost may be examined and approved by a committee constituted at the State level under the Chairmanship of RCS having GM-PIT as convener and representative of State Govt., PIA and concerned Regional Director of NCDC. Proposal received should have recommendations of DLCC and all such decisions should be informed along with justification to NCDC H.O.;
3. However, while diverting the funds, it shall be ensured that all changes are need based, no sector suffer undue shortage of funds on account of diversion, construction activity including DCCB building is kept to minimum and unnecessary diversion for margin money shall be avoided. It may be ensured that changes effected are within overall project cost and any increase in total project cost due to such changes shall have to be met by the State Government / PIA / beneficiary societies out of their own resources;

4. Diversion amount shall not exceed 20% of project outlay in any case throughout the project period;
5. There should not be any diversion during **first two years of the project**;
6. Outlay for **PIT, manpower development & training and incentives, etc., shall not be changed without prior approval of NCDC**;
7. Diversion for any new activity / item has to be approved at the level of NCDC Head Office after receipt of S/Govt.'s recommendations; and
8. For smooth and speedy implementation of the projects, State Governments are further advised as under:
 - a. Where PIAs are located in the State capitals, adequate powers be delegated to PIA representative in the district / PIT; and
 - b. It is desirable that no PIT personnel should be withdrawn / transferred during implementation period of ICDP without approval from NCDC to maintain the temperament of time bound execution of ICD Projects.



Yours faithfully,


(S.C. Upadhyay)
Chief Director (ICDP)


Encl: As above.

Copy to:

1. RCS, All States
2. Chief Executives (PIAs) of all on going ICDPs
3. All Regional Directorates, NCDC – With the request to circulate this to the Chief Executives of PIAs (of all on-going ICDPs) in States under your jurisdiction.
4. All Officers of ICDP Division
5. Finance Division
6. Policy File No. NCDC:5-24/91-ICDP
7. Guard File.


(S.C. Upadhyay)
Chief Director (ICDP)




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4 - Siri Institutional Area
Hauz Khas, New Delhi-110016
Phones: 26966206, 26563105
Fax : 26962370, 26516032
E-mail : SCUpadhyay@ncdc.in

No.NCDC:3-12(10)/2000-ICDP

Dated:29th August, 2007

To

The Secretary Incharge of Cooperation,
All States / UTs

Sub: Implementation of ICDP – Change in allocation by PIA upto 15% of the
original outlay - regarding

Sir,

In continuation of this Corporation's Circular no.NCDC:4-2/86-ICDP dated 16th May 2002 as per which concerned PIA was permitted to increase/decrease the outlay sanctioned for any activity to the extent of 10% of the original outlay for that activity, it has been decided with the approval of competent authority that henceforth PIA can increase or decrease the outlay sanctioned for any activity to the extent of 15% of the original outlay for that activity. Further, there will be no bar on transfer of funds from one activity to another for effecting such change. However while diverting funds the construction activities should be kept to the minimum. It may be ensured that the changes are effected within overall project cost and any increase in the total project cost due to such change shall have to be met by the State Govt./ PIA/beneficiary society out of their own resources.

If it is felt that the outlay for any activity needs to be changed by more than 15% of the original provision, of if a need for a new activity is felt, the proposal be sent to NCDC for approval through State Govt.

Yours faithfully,

(S.C. Upadhyay)
Chief Director(ICDP)

P.T.O

CC:

1. RCS, All States/UTs
2. Chief Executive (PIA) of all on going ICDPs
3. All Regional Directorates, NCDC
4. All officers of ICDP Division
5. Finance Division
6. Policy File No.NCDC:5-24/91-ICDP
7. Guard File



(S.C. Upadhyay)
Chief Director(ICDP)



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Hauz Khas, New Delhi-110016
Phones: 26964563, 26563105
Fax : 26962370, 26516032
E-mail : SCUpadhyay@ncdc.in

No. NCDC: 4-2/86-ICDP

Dated: 22.10.2007

The Secretary Incharge of Cooperation
All States

**Sub: Implementation of ICDP – Change in allocation by PIA upto 15% of
the original outlay – regarding**

Sir,

In continuation to this Corporation's circular No. NCDC:3-12(10)/2000-ICDP (copy enclosed) it is informed that there is a general tendency to save under the heads 'training' and 'incentive' and divert these savings to PIT cost. Training and incentives are crucial in improving managerial skills of personnel in cooperatives and motivating them for better performance. In view of this, it is decided that the outlays for PIT, training, incentives etc. under the head Manpower Development, Training & Incentives shall not be changed by the PIA.

2. In other sectors PIA can make intra sector and inter sector allocations subject to the condition that the outlay for no sector or item shall increase or decrease by more than 15% of the original outlay for that sector/item and that total project cost shall remain unchanged.

Yours faithfully,

(S.C. Upadhyay)
Chief Director (ICDP)

Copy to:-

1. RCS, All States
2. Chief Executive (PIA) of all on going ICDPs
3. All Regional Directorates, NCDC
4. All Officers of ICDP Division
5. Finance Division
6. Policy File No. NCDC:5-24/91-ICDP
7. Guard File.

All Regional Directors, NCDC with the request to circulate this to the Chief Executives of PIA (all on-going ICDPs) in States under your jurisdiction.