

GUIDELINES FOR ADMINISTRATION OF NON-LAPSABLE CENTRAL POOL OF RESOURCES – CENTRAL (NLCPR-CENTRAL)

1. Objectives

1.1 The broad objective of the NLCPR-Central scheme is to ensure speedy development North Eastern Region by increasing the targeted flow of budgetary resource for **financing social and physical infrastructure projects pertaining to subjects in the Union and Concurrent Lists of the Constitution**. The scheme would enable the Central Ministries/Departments to fund projects:

- a) in addition to projects taken up by them through the 10% mandatory earmarking; and
- b) projects of regional and/or national priorities;

by drawing funds from the Central Resource Pool irrespective of their contributions in a year. Projects taken up under the NLCPR-Central will be implemented by Central Ministries/Departments.

1.2 However, funds from the scheme will NOT be available to Ministries/ Departments for up-scaling their existing projects. In other words, funds from the NLCPR-Central are not meant to supplement the normal Plan Programmes of the Central Ministries/Departments/Agencies.

2. Institutional arrangement to administer the NLCPR-Central

2.1 Projects taken up under the NLCPR-Central will be implemented by Central Ministries/Departments. Therefore, the primary responsibility for administering individual project funded under NLCPR-Central rests with the implementing Central Ministry/ Department.

2.2 The NLCPR-Central shall be administered and monitored in the Ministry of Development of North Eastern Region (M/o DoNER) through an Inter-Ministerial Monitoring Committee called Central Monitoring Committee (CMC) consisting of:

Secretary, Ministry of DoNER	:	Chair
Pr. Adviser/Sr. Adviser/Adviser (SP-NE) Planning Commission	:	Member
Joint Secretary (PF-II), Ministry of Finance, D/o Expenditure	:	Member
Joint Secretary, North East, Ministry of Home Affairs	:	Member
Joint Secretary & Financial Adviser, Ministry of DoNER	:	Member
Representatives of implementing Central Ministries/Departments (not below the rank of Joint Secretary) may be invited, from time to time	:	Special Invitee/s
Joint Secretary (NLCPR-Central), Ministry of DoNER	:	Member Secretary

2.3 The functions of the Committee are:

- (a) to monitor project proposals of Central Ministries/Departments which are in the pipeline;
- (b) to closely monitor and review the physical and financial progress of sanctioned projects under NLCPR-Central;
- (c) To depute appropriate officials of the Central Government for field inspections on a periodic basis and to recommend Third Party Monitoring, when the need arises.
- (d) To suggest policy changes to obviate procedural and other bottlenecks in the execution of projects.
- (e) to recommend release of funds for sanctioned/ongoing projects.

2.4 The Committee would meet as often as necessary and would submit periodic recommendations to the Union Minister for Development of North Eastern Region on various aspects of projects under NLCPR-Central.

2.5 Committee would be serviced by the NLCPR Division in the Ministry of Development of North Eastern Region.

3. Formulation, appraisal and approval of Project under NLCPR-Central

3.1 The following process shall be adopted for project formulation:

- (a) Proposal under NLCPR-Central should be in projectised format with specific implementation period and quantifiable physical progress and target.
- (b) Proposals under the scheme should not be for up-scaling the existing schemes/projects implemented under the mandatory 10% expenditure in the North Eastern Region.
- (c) Projects of regional/national importance or priority shall be posed for funding under the scheme.
- (d) No maintenance work/recurring cost will be funded from NLCPR-Central scheme.
- (e) Modalities for meeting maintenance and running cost of the infrastructure created under the scheme will have to be indicated in the project proposal.

3.2 Central Ministries/Departments will, after due consultation with the concerned State Government(s) and Ministry of DoNER, include projects proposed for funding under NLCPR-Central in their Annual/ Five Year Plan proposals to the Planning Commission.

3.3 Planning Commission, in consultation with the concerned line Ministry and M/o DoNER, may accord 'in principle' approval to the project during the Annual Plan Discussion of the concerned Ministry.

3.4 Simultaneously, Ministry of DoNER will include the proposed project in its Annual Plan proposal for the purpose of budgetary allocation.

3.5 Once the project is accorded in principle approval, the concerned Ministry/Department will get the proposed project evaluated by SFC/EFC/PIB and approved by the competent authority as per the extant guidelines for plan schemes.

3.6 Governments of North Eastern States may also pose a project/s not covered under any existing plan schemes which can be funded as a way of gap funding. The State Government should send the proposal to the concerned Central Ministry/Department with a copy to Ministry of DoNER. Thereafter, the proposal will go through the procedure listed at Para. 3.2 to 3.5 for its approval.

3.7 NEC may also pose a project not covered under existing Plan schemes to the Central Ministry/ Department under advice to Ministry of DoNER.

3.8 Irrespective of the proposer, all projects funded under NLCPR-Central shall be implemented by Central Ministry/Department/Agency.

3.9 Projects proposed for funding under the NLCPR-Central scheme should pertain to areas indicated at **Annexure – A** [this is only an indicative list and not an exhaustive list] from the list of subjects in the Union List or Concurrent List of the Constitution.

3.10 List of inadmissible items for funding under NLCPR-Central:

- (i) Cost pertaining to survey & investigation, feasibility studies and DPR preparation;
- (ii) Cost pertaining to land acquisition, re-settlement and rehabilitation, compensation and shifting of utilities;
- (iii) Agency charges and consultancy fees;
- (iv) Taxes, duties and insurance over and above the amount/rate incorporated/embedded in SOR;
- (v) Quality control, Audit & accounting charges.

4. Release of funds

4.1 Periodically, the Ministry of DoNER shall communicate the “limit” or the “authorization to spend” to the implementing Ministry/Department in respect of sanctioned projects after the CMC recommends release of funds. Thereafter, the concerned Ministry/Department shall issue the requisite expenditure sanctions with the concurrence of its Financial Adviser for debiting the NLCPR-Central budget of M/o DoNER.

4.2 The quantum (limit) and periodicity of authorization shall depend upon assessment made by CMC based on the approved implementation schedule and actual progress of the project.

5. Monitoring & Evaluation

5.1 The implementing Ministry/Department shall report the physical and financial progress in respect of every project at the end of every quarter to M/o DoNER. Such quarterly progress reports (QPRs) should reach the Joint Secretary of the Ministry within three weeks of the end of the quarter under report.

5.2 Monitoring and evaluation of implementation of the project shall also be undertaken through field inspections by officers of the Ministry of DONER, as well as through impact studies, social audits and Third Party Monitoring through independent agencies on the recommendation of CMC.
