

## **GUIDELINES**

### **FOR**

## **ADMINISTRATION OF "NORTH EAST SPECIAL INFRASTRUCTURE DEVELOPMENT SCHEMES (NESIDS)"**

### **1. Background**

- a. The Ministry of Development of North Eastern Region (DoNER) has been sanctioning projects to eight States in North Eastern Region (DoNER) to fill up gaps in infrastructure through block grants of the Non-Lapsable Central Pool of Resources(NLCPR) through 90% Central funding and 10% contributed by the States. The identified projects under the NLCPR schemes are executed by the State Government agencies.
- b. The new Central scheme of North East Special Infrastructure Development Schemes (NESIDS), fully funded by the Government of India, is taken up to fill up gaps of infrastructure in certain identified sectors of the Region. The NESIDS will accord focus on exploitation of the huge tourism potential of the area by way of strengthening related infrastructure and will also give emphasis on creation of infrastructure of social sectors like health and education.

### **2. Objectives of "North East Special Infrastructure Scheme(NESIDS)"**

The broad objective of NESIDS is to ensure focused development of North East Region by providing financial assistance for projects of (a) physical infrastructure relating to water supply, power, connectivity and specially the projects promoting tourism and (b) social sector for creation of infrastructure in the areas of primary and secondary sectors of education and health. The NESIDS will be over and above the existing schemes of Government of India and State Governments of the NE Region. Only those projects would be considered for funding under the scheme which are not supported under any other scheme of Central or State Government.

### **3. Duration of NESIDS**

The NSEIDS will be implemented in 3 years from 2017-18 to 2019-20 at a total outlay of Rs. 1,600 crore.

### **4. Funding Arrangement**

- a. The funds under NESIDS will be allocated to States on the basis of Normative Allocation in the beginning of the Financial Year. However, funds will be provided for the ongoing projects under NLCPR so that they are completed by 2019-20.

- b. If any of the States are not in a position to absorb the funds, their allocations may be diverted to better performing States.

## **5. Institutional and Administrative Arrangements**

### **5.1 National Level**

An Inter-Ministerial Committee (IMC) headed by the Secretary, Ministry of Development of North Eastern Region, comprising representatives of relevant line Ministries as indicated below will be notified by the Ministry of DoNER:

- i. Secretary, Ministry of Development of North Eastern Region.
- ii. Chief Executive Officer of NITI Aayog or his/her representative not below the rank of Joint Secretary.
- iii. Expenditure Secretary or his representative not below the rank of Joint Secretary.
- iv. Home Secretary or his representative not below the rank of Joint Secretary.
- v. Foreign Secretary or his representative not below the rank of Joint Secretary.
- vi. Financial Adviser, Ministry of Development of North Eastern Region.
- vii. Joint Secretary in-Charge of NESIDS in the Ministry of Development of North Eastern Region.

### **5.2 Functions of the Inter Ministerial Committee**

IMC will meet as per the requirements, but will meet *at least once in three months*.  
The functions of IMC will be:

- (a) To ensure proper distribution of funds allocated under NESIDS amongst NE States keeping in mind the existing Inter-State and Intra State regional disparity, Human Development Indices (HDI), including per capita income, poverty level(BPL), density of infrastructure, population, area and terrain, etc. , besides performance of the States in implementing NESIDS projects.
- (b) To assess projects/schemes proposed by the NE States under NESIDS in terms of viability and tangible socio-economic impact.
- (c) To consider the recommendations of State Level Empowered Committee (SLEC).
- (d) To review the progress of implementation of the projects under NESIDS.

- (e) To review the ongoing projects of NLCPR scheme as the NLCPR Committee will cease to exist once the new scheme of NESIDS comes into existence. During the review, the Committee may recommend the unviable ongoing projects sanctioned under NLCPR scheme for closure.

### **5.3 State Level**

The State Governments will require to constitute a State Level Empowered Committee(SLEC) chaired by Chief Secretary of the State and comprising Planning, Finance and other concerned Secretaries of the State Government, as deemed necessary by the State as members. The Ministry of DoNER will be represented in the SLEC by Joint Secretary in-charge of the scheme and the Financial Adviser, DoNER. The line Ministries of Government of India will also be adequately represented in SLEC. The State Government shall designate reputed institutions like IIT/NIT, Engg. Colleges for technical appraisal of DPR.

## **6. Project formulation and identification**

In order to give a quick start to the NESIDS, it is proposed that all NE States may submit a brief concept Note on state infrastructure strategy and indicative list of project proposed to be funded under NESIDS as a part of their initial proposal.

- a) The shelf of projects and designated agency of the State Governments for execution of projects will be identified jointly by Secretary, DoNER and Chief Secretary of the concerned States. The guiding principle for identification will be as under:
- i. Normally, the cost of the project will be Rs. 20.00 crores or above.
  - ii. The cost indicated in the concept paper of the project will be based on latest SOR.
  - iii. The cost towards land acquisition and staff component will be inadmissible under the scheme.
  - iv. The cost for the maintenance of the assets created under the scheme will be met by the State Government.
  - v. 25% of projects will be earmarked for backward areas.
  - vi. The project will be at single location with detailed lat-long information.
- b) The identified list of shelf of projects with their concept note will be placed before a Project Identification Committee called NESIDS Committee chaired by Secretary, DoNER and co-chaired by the Chief Secretary of the concerned State. The other members of the Committee will be as follows:

- i. Chief Executive Officer NITI Aayog or his/her representative not below the rank of Joint Secretary.
  - ii. Expenditure Secretary or his/her representative not below the rank of Joint Secretary.
  - iii. Home Secretary or his/her representative not below the rank of Joint Secretary
  - iv. Foreign Secretary or his/her representative not below the rank of Joint Secretary
  - v. Financial Advisor, Ministry of DoNER
  - vi. Joint Secretary in-Charge of NESIDS in the Ministry of Development of North Eastern Region.
- c) The NESIDS Committee will discuss the list of projects with the representatives of concerned line Ministries of Government of India and will make suitable recommendations for funding of identified projects.
- d) The recommendations of the NESIDS Committee will be submitted to the Minister in-charge of DoNER for in principle approval before communicating them to the State Governments.
- e) The State Government will prepare Detailed Project Reports (DPRs) of the identified projects communicated to them. No change in the scope of the project in the DPR against what was proposed in the Concept Paper will be admissible. The SLEC will authorize institutes of national repute like IIT/NIT/Engg. Colleges for the technical and economic appraisal of DPRs for projects recommended by IMC. The cost of DPR appraisal by these institutes shall be an admissible component to be included in the project cost. The DPR of the projects so prepared, will be placed before the State Level Empowered Committee (SLEC) for their techno-economic vetting and to make suitable recommendations to the Ministry of DoNER for sanction/non-sanction.
- f) The SLEC recommendations for sanction/non-sanction of projects must be accompanied with all regulatory and statutory clearances like forest & environment, land acquisition, non-duplication certificate, availability of stone quarry etc. wherever applicable along with appraisal report.

## **7. Implementation of Projects and disbursal of funds**

### **7.1 Sanction of Projects for implementation**

- i) After receipt of recommendation(s) of the SLEC by Ministry of DoNER, the proposal for sanction/non-sanction of the project(s) will be placed before NESIDS Committee for consideration and making suitable recommendations.
- ii) The recommendations of NESIDS Committee will be submitted to Hon'ble Minister in-charge of DoNER for approval.
- iii) After approval of Hon'ble Minister in-charge of DoNER, the project will be sanctioned by issuance of Administrative and Financial sanction of the project and release of token amount of Rs. 10.00 lakh in consultation with Integrated Finance Division (IFD).
- iv) Works shall be awarded within six months of the issue of the sanction by the Ministry and a copy of the work order endorsed to the Ministry of DoNER. In case, no work order is received by Ministry of DoNER within a period of six months of the release of token amount of Rs. 10 lakh, the sanction of the project may be liable for cancellation.
- v) No work shall be undertaken by the State Government before the issue of Administrative approval and financial sanction by the Ministry of DoNER. No execution of Contract Agreement or Award of works should be done before sanction of the project. Any work done prior to sanction of the project will not be funded by the Ministry.
- vi) State Governments will award the contract after fulfilling all codal formalities in a transparent manner. The tender notices and contracts may indicate the binding clauses for incentives to contractors for early completion and penal provision for delay.

### **7.2 Disbursement of funds**

- i. The funds will be released to the designated agency through treasuries of the State Governments as per special dispensation accorded by Ministry of Finance. The State Government will install PFMS portal at the State level and link their treasuries to the PFMS portal of Ministry of DoNER for tracking of funds released under the scheme.
- ii. The funds will be released by Ministry of DoNER in two instalments of 40% and 60%.

- iii. Initially at the time of issuance of Administrative and Financial sanction, a token amount of Rs. 10.00 lakhs will be released by the Ministry of DoNER as part payment of the first instalment so that tender formalities could be initiated and finalized by the State Government. Thereafter, the State Government will approach the Ministry with a copy of work order and letter for claiming the release of balance amount of first instalment of funds.
- iv. Normally, fresh sanctions will not be issued if unspent balance of a State is more than 3 times of the normative allocation of the State.
- v. Second instalment of the project will be released by the Ministry of DoNER once the State Government mandatorily submit utilization certificate for 75% of the first instalment released and commensurate physical progress duly signed by the Head of designated agency and countersigned by Planning Secretary of the State Government.
- vi. Request for release of subsequent instalment of funds submitted by the State must be accompanied with:
  - (a) Utilisation Certificates (UC) for 75% of 1<sup>st</sup> instalment released.(GFR 12-C)
  - (b) Quarterly Progress Report (QPR).
  - (c) Photographs of the works completed.
  - (d) Inspection report of Nodal Officer.
- vii. Any cost overrun over and above the approved/ sanctioned cost in any project due to delay in implementation or any other reasons, has to be met by the concerned States.
- viii. After completion of the project, a Completion Certificate along with utilization certificate of the total fund released will be submitted by the designated agency through the State Government.
- ix. Any delay in completing the project beyond the schedule date, could invite a cut in the subsequent normative allocation of the State Government.

## **8. Monitoring & Evaluation**

- i) The State Government will put in place a robust monitoring mechanism for proper execution of the projects sanctioned under the scheme. The mechanism will preferably consist of officials not directly concerned with execution of a particular project.
- ii) The State Government will carry out periodic inspections for faster execution of the projects and their timely completion.

- iii) The designated agency of the State Government will nominate a nodal officer for each project to complete them as per schedule.
- iv) The designated agency will publicize the project in the local area.
- v) The State Government will encourage the use of modern technical tools of Information Technology (IT) and space technology for monitoring the projects.
- vi) Monitoring and evaluation of implementation of the project will be undertaken through field inspections by officers of the Ministry of DoNER as well as through impact studies, social audit and evaluations concerned by Government or through independent agencies on the request of the Ministry of DoNER.
- vii) The line Ministries of Government of India may conduct inspection of the projects through their officials while on tour of the project area.

## **9. Transparency and Publicity of Information**

In order to ensure that the information about development schemes being financed through the NESIDS reaches the ultimate beneficiaries, i.e. the targeted beneficiaries, there is need to ensure greater transparency and publicity of information. For this purpose, the following should be ensured:

- i.) All projects being supported from the scheme shall be given wide publicity in local media.
- ii.) Notice Board, including social audit aspects and QR code, will made available at the project implementation site. The Board should indicate the date of sanction of the project, likely date of completion, cost of the project, source of funding i.e. NESIDS (Government of India), name of the designated agency for execution of the project, contractor's name and physical target. After completion of projects, State Government will put a permanent display on site like plaque on the wall etc. after the asset is created displaying details of NESIDS funding.

## **10. Relaxation/Modification**

Relaxation/modification in any of the clauses of the proposed guidelines of the NESIDS scheme will be made with the approval of Hon'ble Minister-in-charge, Ministry of DoNER on the recommendations of Inter-Ministerial Committee (IMC) under the broad framework of the scheme.