

**Tour Note of Secretary and Joint Secretary (HK), Ministry of DONER
of the tour undertaken on 14 & 15 September 2005**

14th September 2005

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15th September 2005

A meeting with the Planning & Development Secretaries/Commissioners/Principal Secretaries of State Government was held to review the progress of implementation of projects funded from Non Lapsable Central Pool of Resources (NLCPR). Also, the progress of submission of Priority List of Projects (2006-07) by States for being considered under NLCPR as well as the progress of submission of original/modified Detailed Project Reports (DPRs) were reviewed.

Record Note of the meeting is at Annexe I.

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PowerPoint Presentation made by NEDFi, NEHHDC and NERAMAC on 14.9.2005 at Guwahati

Secretary DONER had seen the PowerPoint Presentation made by the North Eastern Development Finance Corporation Ltd. (NEDFi), North Eastern Handicraft and Handloom Development Corporation Ltd. (NEHHDC) and North Eastern Regional Marketing Corporation Ltd. (NERAMAC) about the status, activities and progress so far made in this financial year by the respective Corporations. It was the first introductory meeting/presentation by the Corporations to the Secretary. Following action points emerged during the presentation/ discussion:

NEDFi

1. It was stressed that NEDFi should concentrate on the projects giving special emphasis on value addition to the local produce and job creation in the region.
2. They should spread their activities across 8 North Eastern States and should make efforts to do away with the impression that NEDFi is Assam-centric.
3. Non Productive Assets (NPAs) should be reduced below the generally acceptable limit.
4. The Corporation should concentrate specifically in the areas of core competence in the region including minerals, food processing and tourism.

5. They should identify promising entrepreneurs through entrepreneurship development programmes being organized through various schemes of different organizations and should help them through handholding measures.
6. NEDFi should work in tandem with NERAMAC and NEHHDC and work for faster economic development and for more and more jobs creation in the region.
7. Issue of reduction of interest rates may be considered by the Board of Directors of NEDFi if it can help reduction in NPAs and also make entrepreneurs more comfortable.

NEHHDC

1. The Corporation must reduce its establishment expenditure and also cut down on over-expenditure by applying zero base budgeting method.
2. The Corporation should expand its activities and have more and more programmes for artisans for whom it was established.
3. They should modernize their showrooms.
4. Turn around plan should be prepared keeping in mind a time horizon of one and a half years.
5. They should work out possibilities of consignment sale of corporations like NERAMAC and consignment sales of NEHHDC through showrooms of other corporations.
6. Common Facility Centres should be put to their optimum use and the staff should be so deployed that they earn their salaries and other expenditure being incurred on them.

NERAMAC

1. The Corporation should prepare a turn around strategy immediately.
2. Pineapple Juice Concentrate Plant at Nalkata should be refurbished to work throughout the year. It may need adding up a few more processing lines for horticulture produce, other than pineapple, like ginger, jackfruit, oranges, etc.

3. Cashew processing unit in Agartala is a profit making unit and therefore another cashew processing unit may be planned in some other cashew growing area on the basis of viability of the project and location.
4. The Corporation should work out its marketing plan by way of having, if need be, more sales outlets.
5. They should spread their activities in other States also rather than being Tripura-centric. The farmers and horticulturists of all the 8 States should benefit by the activities of the Corporation.
6. They should work in tandem with NEHHDC and NEDFi to utilize their core competencies and facilities available with them.

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Record Note of the meeting is at Annex I.

Record Note of the review meeting held to Review the progress of Projects funded/posed under NLCPR on 15th September, 2005 at the Conference Hall of NEC Sectt., Shillong at 9.00 AM

Secretary, Ministry of DONER chaired the meeting.

List of participants is annexed (A).

Secretary DONER welcomed all the participants from States to her first meeting with them. Various issues like submission of Completion Certificates (CCs) of completed projects, Utilisation Certificates (UCs), compliance of decisions made in earlier review meetings, timely utilization of funds and timely submission of Detailed Project Reports (DPRs) etc. were discussed in detail. A summary of decisions is given as under:

1. Submission of CCs:

It was pointed out that state of affairs relating to submission of CCs was bad in all the States. CCs are pending even in cases in which last installment was released as early as in

2002 in Arunachal Pradesh;

2000, 2001 and 2004 in Assam;

2001, 2002 and 2004 in Manipur;

2000 and 2004 in Meghalaya;

2002 and 2004 in Mizoram;

2003 and 2004 in Nagaland;

2002, 2003 and 2004 in Sikkim;

2002, 2003 and 2004 in Tripura.

It was decided that all the pending projects for which last installment was released on or before 31 December, 2004 should be completed and CC submitted by 31 December, 2005.

2. Compliance of earlier decision:

Compliance of the decisions made in the last review meeting at the level of Secretary has not been reported by the States barring Arunachal Pradesh, Assam, Manipur and Tripura who have reported compliance partially.

It was decided that the compliance should as per decisions in the said review meetings and reported positively by 30th September, 2005 on the e-mail address of J.S. DONER – haripaliwal@nic.in.

3. Submission of UCs/QPRs/Work Plan/Photographs:

Some of the States are not submitting UCs/QPRs/Work Plan/Photographs when they are due in the duly prescribed formats. It was decided that they should be, as required by guidelines, signed by Secretary of the concerned department and countersigned by the Planning Secretary. UCs should be sent by Planning Secretary for all the ongoing projects duly countersigned by him/her along with his/her covering letter within 9 months from the date of last release and QPR of a quarter by the 20th of the month following the quarter-end.

4. Revalidation of funds:

In most of the cases installments released by Ministry of DONER are not utilized in 9 months as stipulated in the guidelines. Nor are revalidations requested if there are exceptional circumstances. It was decided that the UCs must be submitted within 9 months and if, (in exceptional cases) circumstances require, then revalidation must be sought for in time.

5. Projects running behind the schedule:

Most of the States except Arunachal Pradesh have not provided lists of projects running behind the schedule with their reasons and strategy to complete them in a fixed time with revised scheduled time frame for completion. It reflects that projects are not being monitored regularly. It was stressed that the State Planning Secretaries must have schedule of completion of various activities of projects with them and review their progress monthly. It was also requested that the States must review now and send information by 30th September, 2005.

6. Submission of DPRs:

It was discussed that the DPRs are not submitted by States in time. Sometimes more than one year is taken in their preparation and submission as per format and standard prescribed. Even revised DPRs are not submitted in time. It was desired that DPRs should be prepared and submitted in the prescribed formats and due consideration should be given to the observations of the line Ministries provided earlier in some other cases of the same type. DPRs should be technically sound. Preliminary activities like soil survey etc. required for DPR preparation should be carried out. For estimates latest SORs should be used in order to avoid total confusion and delays in processing and sanctioning of DPRs. It was emphasized that the States must prepare SOR based on latest rates and prepare the DPR based on SORs not in any case older than 2 years. While submitting revised DPRs compliance as per observations/comments of the line Ministries should be ensured.

Tendering process should be so designed that it takes minimum possible.

7. Priority List 2006-2007:

Priority Lists of projects for 2006-07 must be under preparation. It was reemphasized that it should be submitted by 30th November, 2005. It should be prepared with gap analysis for each sector and full justification should be given as to why a particular project should be retained. Concept Papers (CPs) should clearly spell out the necessity of project with full justification on social and economic grounds as to why it should be retained for details examination. CPs should not be sketchy and should not miss vital points.

8. It was stressed that periodical inspections of projects by senior officers should be taken up as to improve quality of projects and to ensure faster implementation. Likewise, for expediting progress of execution of projects Planning Secretary must review progress of projects monthly and Chief Secretary quarterly. Some of the States are not doing it on regular basis.