



7. EXTERNALLY AIDED PROJECTS

7.1 ADB assisted North Eastern States Roads Investment Programme (NESRIP):

The proposed North Eastern States Roads Investment Programme (NESRIP), a centrally sponsored scheme of the Ministry of Development of North Eastern Region is to be assisted by the Asian Development Bank (ADB). The total cost of the project in the first investment programme is US \$ 298.2 million. The ADB will contribute US \$ 200 million. The Government of India will contribute US \$ 83.30 million and the States' share is US \$ 14.9 million. The entire cost of the project including ADB's Loan Component of US\$ 200 million but excluding States' share will be released to the State Governments in the form of Grants-in-aid. A total length of 433.7 kilometers of roads and bridges covering six NE States, excluding Arunachal Pradesh and Nagaland is proposed to be taken up for construction / upgradation during Tranche I & II. Tranche I comprising the States of Assam, Meghalaya and Sikkim will cover a total road length of 202.3 kilometers and Tranche – II comprising Assam, Manipur, Mizoram and Tripura will cover the remaining road length of 231.4 kilometers.

7.2 Current Status:

- The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 19th May, 2011 has approved the project.
- Loan negotiations with ADB held on 16-17 June, 2011.
- The framework financing agreement has

been signed between Government of India and ADB.

- The ADB Board of Directors has approved the Multi Tranche Financing Facility of US \$ 200 million for the Captioned Programme on 22nd July, 2011.
- The ADB management has approved Tranche-I loan of US \$ 74.8 million on 22nd August, 2011.
- Action for engagement of consultancy services (CSC & PMC) has been initiated both by the State Governments concerned and MDONER.
- Award of contracts for consultancy services is likely to be completed by March-April, 2012.
- Loan agreement (Tranche-I) is expected to be signed between Govt. of India and ADB after completion of award of contracts for consultancy services.
- Loan effectiveness will take place anytime within a period of 90 days after the signing of loan agreement and the construction/ civil works will start thereafter.

7.3 World Bank funded North East Rural Livelihood Project (NERLP):

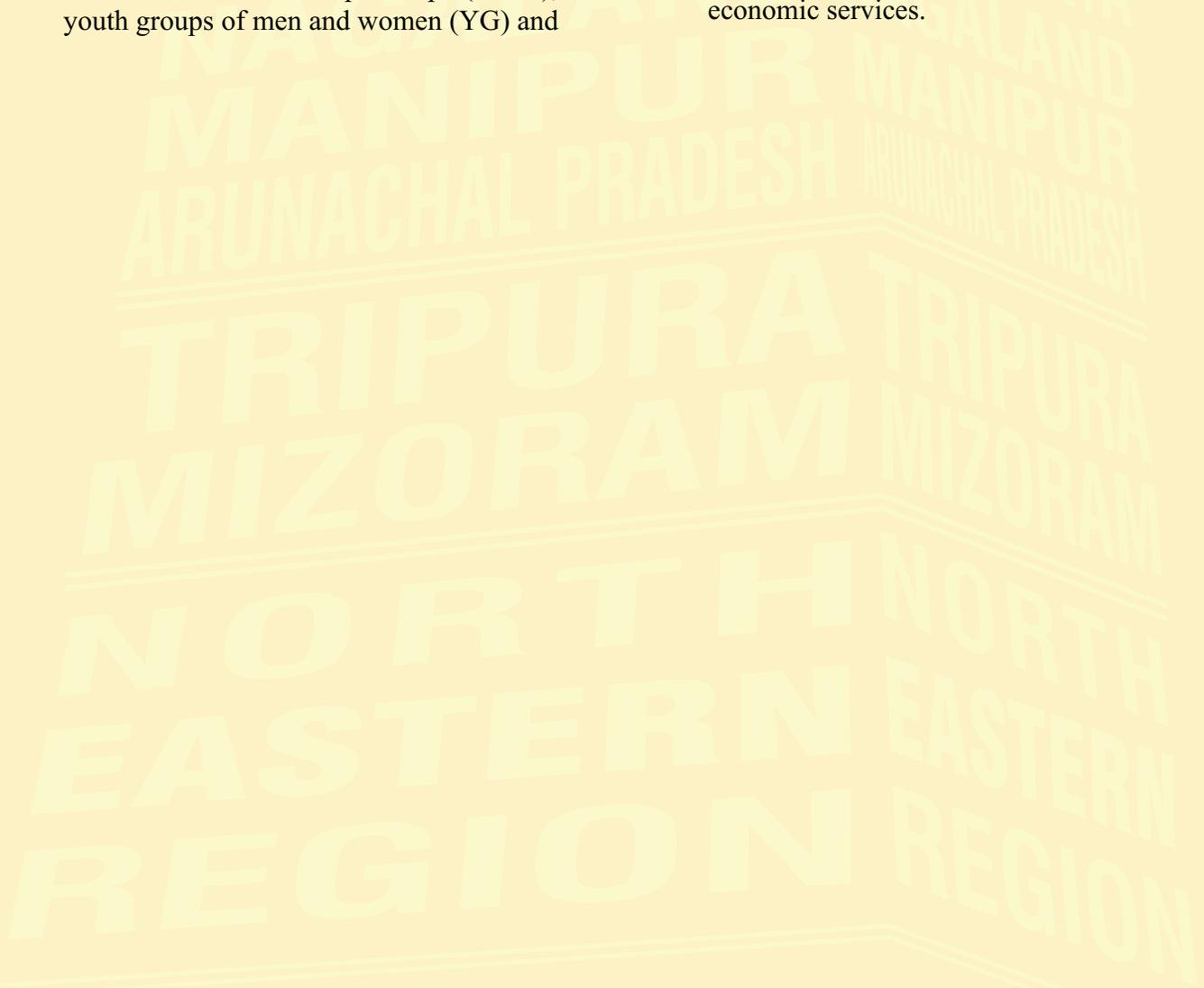
M/o DONER proposes to implement the North East Rural Livelihood Project in eight selected districts of four States of Mizoram, Nagaland, Sikkim and Tripura



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with soft loan assistance from the World Bank. The duration of the project is five years. The objective of the North East Rural Livelihood Project (NERLP) is “To improve rural livelihoods especially that of women, unemployed youth and the most disadvantaged, in four North Eastern States”. The specific project objectives of NERLP are to:

- a) Create sustainable community institutions around women Self-Help Groups (SHGs), youth groups of men and women (YG) and
- b) Community Development Groups (CDG). Build capacity of community institutions for self governance, bottom up planning, democratic functioning with transparency and accountability.
- c) Increase economic and livelihood opportunities.
- d) Develop partnership of community institutions for natural resource management, microfinance, market linkages, and sectoral economic services.





7.4 The districts that are covered in the above projects are as follows :

| State | District | Blocks |
|--------------|---|---|
| Mizoram | Aizawl | Phullen, Aibawk, Darlawn, Thingsulthliah, Tlangnuam |
| | Lunglei | Lungsen, Bunghmun, Lunglei, Hnahthial |
| Nagaland | Peren | Tenning, Peren, Jalukie |
| | Tuensang | Longkhim, Chare, Noksen, Sangsangyu, Shamator, Chessore, Noklak, Thonoknyu |
| Sikkim | South | Namchi, Jorethang, Namthang, Ravongla, Yangang, Temi-Tarku, Sumbuk, Sikkip |
| | West | Gyalshing, Soreng, Yuksom, Dentam, Kaluk, Daramdin |
| | 15 poorest Panchayat wards of East district | Ben, Thasa, Upper Lingtam, Dhanbari, Lower Samlik, Mamring (Amba Mamring Gumpa), Premlakha, Singaneybas, Lower Tarpin, Dokchin, East Machong, Namrang (Tumin Karma Choling Gumpa), Simik (Simik Daduling Gumpa), Kutitar, Namin |
| Tripura | West | Khatalia, Melaghar, Boxanagar, Bishalgarh, Jampuijala, Dukli, Hezamara, Mohanpur, Jirania, Mandwai, Mungiakami, Teliamura, Kalyanpur, Khowai, Tulashikhar, Padmabill |
| | North | Kumarghat, Gauranagar, Kadamtala, Panisagar, Dhamchhara, Pecharthal, Dasda, Jampuihill |



7.5 The total estimated cost of the project is Rs. 683.2 crores (\$ 144.4 million). The Bank will contribute Rs. 614.8 crores (\$ 130 million) (90%) as IDA soft loan and Ministry of DONER will contribute Rs. 68.4 crores (\$ 14.4 million) (10%) from its budget allocation. The proposed project has four major components viz. Social empowerment; Economic empowerment; Partnerships development & management and Project management.

7.6 Activities undertaken so far:

- I. In principle approval of the Planning Commission has been obtained vide Planning Commission's letter No. M-13048/36/2005-SP-DONER dated 01.09.2006.
- II. For effective implementation of the project, a North East Livelihood Promotion Society (NELPS) has been constituted and registered at Guwahati in May 2009. The Society has already started functioning from the month of December 2009, under the supervision of the Project Director.
- III. The Ex post facto approval for the creation of Autonomous Society (NELPS) and creation of temporary post at level of Joint Secretary to the Govt of India for the Project Director of NERLP was given by the Cabinet in its meeting dated 20th April, 2011.
- IV. For the year 2011-12, a provision of Rs.35 crore has been kept in the budget.
- V. A pre-appraisal mission was undertaken by World Bank from 18th – 22nd April, 2011. As an outcome of it, the cost of project has gone up from US \$ 133.3 million to US \$ 144.4 million (Rs. 683.2 crores).
- VI. A meeting was chaired by Secretary DONER on 6th July, 2011 to deliberate on the issue of avoidance of duplication

- between NRLM of M/o RD and NERLP. The following conclusions were drawn :
- i) The NERLP is modeled on the IFAD funded North Eastern Regional Community Resource Management Project for Upland Areas (NERCORMP) which was implemented in two districts each in Meghalaya, Manipur and Assam. This model was successful in raising family incomes of the very poor in the project area. NERLP is modeled on NERCORMP and is being implemented in areas and states other than NERCORMP.
 - ii) As the challenges of rural development and poverty alleviation in the North East are different from those of the rest of the country, it is decided to scale up the NERCORMP model. It is also expected that NRLM will borrow from the experiences of NERLP in the NE States.
 - iii) The districts in which NERLP will be implemented in NER will not be covered by NRLM. Ministry of DONER has discussed with the Ministry of Rural Development and the States on this issue.

7.7 Present Status:

- i) The EFC, chaired by Secretary, Department of Expenditure in its meeting held on 29.07.2011 appraised the World Bank funded North East Rural Livelihood Project at a cost of Rs.683.2 crore (\$144.4 million) and recommended it for approval by the competent authority.
- ii) A copy of the Minutes of the EFC dated 29.08.2011 and a copy of the final EFC Memo was also forwarded to the Prime Minister's Office on 01.09.2011. As per the appraisal of the EFC, "Exit Strategy" of the Project and provision of CAG audit for project funds have been incorporated in the Project Implementation Plan document.



- iii) Technical discussion for implementation of NERLP was held between Govt. of India and World Bank on 30.09.2011.
- iv) Cabinet in its meeting dated 16.11.2011 has approved for implementation of World Bank funded NER Livelihood Project.
- v) World Bank Board has approved for implementation of NER Livelihood Project.

7.8 German Govt. funded Climate Change Adaptation Project in NER:

Climate change is emerging as the most serious threat to sustainable development, with adverse impacts expected on the food security, natural resources, environment, economic activities, human health and physical infrastructure. Climate change is an issue of great concern to the Indian government. The Govt. of India released a National Action Plan for Climate Change (NAPCC) in June 2008 outlining the national strategy to address the challenges posed by climate change. Keeping in view the concern of Govt. of India, M/o DoNER proposes to implement German Govt. funded 'Climate Change Adaptation Project' in the States of NER. There are two aspects of the CCA project i) Technical and ii) Financial. Technical part of CCA project is to be funded by GiZ (Govt. of Germany) while Financial part of the project is to be funded by a German Bank namely KfW.

7.9 GiZ funded CCA Project in NER:

The duration of the GiZ funded project is Three years. The total financial outlay is 7 Million Euro (approx Rs. 43 Crore). Out of which 5 Million Euro will be funded by giz as a grant while 2 Million Euro will be

funded by State Govts. in the form of kind. The project is proposed to implemented in Sikkim, Meghalya and Nagaland. Other states in the region will benefit from the regional research, knowledge management and dissemination of project results. The overall goal of the project is that rural people in the NER can enhance their livelihood resilience and adaptive capacity to the impacts of climate variability and change. MEA, MHA, M/o Environment & Forests, DEA, D/o Expenditure and M/o Agriculture & Cooperation have given their NOC to the project but comments from Planning Commission is yet to be received. Implementation agreement has been signed between M/o DoNER (Govt. of India) and GiZ on 28.06.2011.

7.10 KfW funded CCA project in NER:

The total financial outlay of KfW funded CCA project is 97 Million Euro (approx Rs. 582 Crore). Out of which 76 Million Euro will be funded by KfW on loan basis and rest of the amount will be funded by GoI and State Govts. The duration is Seven years and will be implemented in the States of Assam, Meghalaya, Nagaland, Mizoram and Sikkim. The overall goal of the project is that "Rural people in the NER to enhance their livelihood resilience and adaptive capacity to the impacts of climate variability and change. A s regards obtaining NOC / Comments of the Ministries/Deptt./Organizations, M/o Environment & Forests being the technical Ministry has been requested for NOC. Reply from them is awaited. Once the NOC from MoEF is received, other concerned Ministries will also be requested for NOC.



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