Minutes of the 69th Meeting of the NLCPR Committee held at 1500 Hrs on 13.07.2009 under the Chairmanship of Secretary, M/o DoNER in Committee Room No.243-A, Vigyan Bhavan Annexe New Delhi.

Present

1. Shri Jarnail Singh, Secretary, Ministry of Development of North Eastern Region.....In Chair.
2. Shri P.K. Pattanaik, Joint Secretary, Ministry of DoNER.
3. Mrs. Anjuly Chib Duggal, Joint Secretary (PF-I), Department of Expenditure
4. Shri Naveen Verma, Joint Secretary (NE), Ministry of Home Affairs
5. Dr. R.K. Vats, JS&FA, Ministry of DoNER
6. Shri Sarvan Kumar, Director, Planning Commission.
7. Shri R.R. Jha, Director, Ministry of Home Affairs.

Mrs. Firoza Mehrotra, Special Consultant (SP-NE), Planning Commission granted leave of absence.

Following Officers were also present as special invitees:

Shri Rajesh Kumar (Director), Shri P.R. Meshram (Director), Shri B.B. Samaddar (Deputy Secretary), Shri K. Guite, Joint Director (IFD), Shri Ajay Kumar (Section Officer) and Shri A.K. Saha (Section Officer), Ministry of DoNER.

The Committee met and deliberated on the Agenda items. Following observations and recommendations were made:

Item No.1: Confirmation of Minutes of 68th Meeting of the NLCPR Committee held on 26.06.2009.

Minutes of the 68th Meeting were confirmed.

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Item No.2: Action taken report of decisions / recommendations made by NLCPR Committee in the 68th Meeting held on 26.06.2009

The Committee noted that the Minutes for 68th Meeting have been issued on 03.07.2009 and action has been taken by the Ministry of DoNER on the decisions/recommendations made by the NLCPR Committee in that meeting.

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Item No.3: Consideration of revised NLCPR Guidelines

The Secretary, DoNER informed that the revision of the existing guidelines is proposed for making the project implementation more effective. He briefed the Committee about proposed changes in the existing guidelines, which inter-alia includes,

- State Governments should submit priority list by 30th November every year.
- Projects should be retained within one month of submission of priority list.
- State Governments should submit the DPRs within two months of retention of projects.
- DoNER should examine projects through its own Technical Wing/ CPSUs selected for the purpose/ Central Ministries and sanctioned the projects within two months, after receipt of complete and proper DPR.
- State Governments should award work within three months of the sanction of the project.
- The funds in sanctioned projects to be released in three installments of 50:30:20.
- State Governments should transfer the funds within 15 days of release by Ministry of DoNER.
- State Governments should complete work within scheduled target date plus six months grace period, failing which project will be closed for funding by Ministry of DoNER.

The Committee deliberated on the draft guidelines and made following recommendations:

a) The following part of the para 4.1 (i) of existing guidelines may not be dropped, however, it may be advised to include it in the Concept Paper of the project.

Annual Profile of Projects should be a comprehensive proposal containing 'gap analysis' of all major sectors and justification of the list of projects in fulfilling these gaps. This should be in consonance with the overall planning process within the State covering Annual Plans and Five year Plans.

States may identify certain sectors for focused investments with a long-term vision instead of expending these funds into small, diverse and stand-alone projects

The State should also indicate that these projects have not been taken up or proposed to be taken up with any other funding mechanism.

b) It will be appropriate if prior consultations are made with the State Government officers/ Chief Secretaries before final retention of the projects.

c) The State Governments should not propose a project again in a priority list at least for next 3 years, if it is considered by the NLCPR Committee but not retained in that year.
d) If State Government could not submit Detailed Project Report (DPR) within two months of retention then the project may be dropped.

e) To avoid duplication of projects the DPRs may be sent to Planning Commission and Central Ministries concerned to obtain their comments within a definite time frame of one month about duplicity in funding of projects. If no comments received within one month, the Planning Commission and Central Ministries concerned may be deemed to have no objection in funding the project under NLCPR and DoNER may proceed for according sanction.

f) State Governments may be asked to submit 5 copies of DPRs so that a copy can be sent to Subject Division of Planning Commission and concerned line Ministries for verification of duplication of funding.

g) JS (NE), MHA expressed that the time given for sanction of projects within 2 months seems to be inadequate.

h) The fund may be released in sanctioned projects in three installments comprising of 40%, 40% and 20%.

i) State Governments may give preference to local bodies for implementation of the projects if they are qualified under tendering/ financial rules followed by States.

j) Third Party monitoring and social auditing of the projects may be carried out.

k) For optimum utilization of funds under NLCPR State Governments may be advised to propose the projects on the basis of present needs with future expansions instead of sheer imagination.

l) The Committee was of view that it will not be appropriate to close a delayed project for funding once it is sanctioned and funds are released. Since, it will not serve the purpose and the whatever funding is made in such projects will become infructuous. Hence, the States may be impressed upon to complete such delayed projects from their own funds.

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**Item No.4: Retention of projects from priority list 2009-10**

The Committee observed that there is committed liability of Rs.5066.56 crore on account of ongoing and retained projects. Out of this Rs.1873.97 crore is on account of sanctioned projects. The Ministry has received only Rs.700.00 crore budget for 2009-10 under NLCPR which is just sufficient for servicing the committed liabilities during the year. After deliberations, Committee recommended to defer the retention of projects for time being. A view will be taken after reviewing the updated performance and action plan for completion of ongoing projects of each State.

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