

Procedure / Guidelines for approval and sanction of NEC Projects during 10th Plan

1. Secretary, NEC is empowered to sanction below Rs. 5 crores in the normal course. All projects of Rs. 5 crores and above, SFC/EFC/PIB procedure will be followed for appraising of the projects and approval of the Minister of the Administrative Ministry or Finance Minister of Cabinet Committee on Economic Affairs will be required depending upon the amount of the projects.
2. While preparing Detail Project Report and Proposal for approval / sanction, detail component of the project, item-wise cost, implementation plan, strategy for implementation, time frame for implementation, physical and financial target as given in the time frame or implementation plan are to be clearly indicated.
3. The priority already finalized and approved by the Planning Commission including the Administrative Department will be taken as the final list of priority for the purpose of approval and sanction.
4. Regional projects will continue to be given higher priority over State specific projects.
5. In the case of **road projects, the first priority is implementation of on-going Road projects**. Those Road Projects which have been completed but have deteriorated due to absence of maintenance, up-gradation or special maintenance will be the priority to ensure that infrastructure already created with heavy investment are functional and are available to the public.

List submitted by the State Govts. where inter-se priority is not given on completed roads, on-going roads and new roads, priority should be determined on the basis of the principle mentioned in the preceding paragraphs.
6. The priority approach and strategy and implementation strategy given in Vol-I of the 10th Plan document shall be followed except for items where Planning Commission made changes and discussion already taken in this regards:
 - i) Mini and Micro Hydel projects shall not be taken up under NEC during 10th Plan.
 - ii) Report of Shukla Commission which includes District level and rural area projects while making assessment of infrastructural gap, because of the fact that schemes under NEC are restricted to be regional in nature with priority accorded to major projects in and around State Headquarters etc.
 - ii) **For projects under fishery sector:** The integrated fishery projects called Umran model shall be adopted except for Mizoram where alternative model has been prepared.
 - iv) **Vety and Animal Husbandry Sector:** Under Integrated project for self sufficiency in Animal origin Food shall be given top priority for implementation of the same. Those State who have not completed this project this project will not be sanctioned as new schemes under Vety and Animal Husbandry sector.
7. Provision is made for Survey and Investigation under Road and Power sectors. Funds for survey under T&C have been released. Balance amount will be released accordingly to necessity.

Under Power sector, fund for survey and investigation for new power projects have been released and additional amount will also be released.

There is provision for preparation of Master Plan regarding Power Transmission Network of the NER including connection to the different States and important industrial centres. This will also include Transmission Lines for evacuation of power from Central power projects connecting Transmission lines for distribution to the various States. The States may submit their requirements.

8. **Under Tourism Sector:** Master Plan is being prepared for the NER for promotion of tourism. Recommendation of Seminar on promotion of tourism held at Kohima attended by most of the NE States have been received.
9. Under SPINE, Fruit processing is proposed to be taken up linking marketing of fruit products. The present concept involve identification of fruit growing areas, formation of self help system in the identified villages, selection of persons for training in fruit juice extraction, supply of tools and equipments for extraction of fruit and direct linkage with NERAMAC for procurement and marketing.
10. Under rejuvenation of fruit orchard it is proposed to involve experts from National level research centre and ICAR wherever relevant.
11. For implementation of Telemedicine project the detailed project report submitted to Planning Commission, remote interior headquarters will be given preference to commencement of the project as advised by the experts, so that first benefit may go to people in the remote area.
12. The new Contract Agreement Form approved for 10th Plan shall be forced.
13. Practice of piecemeal sanction of projects has been stopped. Sanction will be accorded "once" on the basis of detailed Project Report, Implementation Plan etc. to enable concentrate on implementation and monitoring works. Except for problems which are not anticipated and due to special circumstances, demand for escalation cost shall not be entertained.
14. NEC being Government of India organization comes under the action calendar prepared by Ministry of Finance, Govt. of India regarding submission of Budget figures. Accordingly, BE and RE proposals are submitted as per time schedule.
15. The list of projects which will require SFC/EFC/PIB clearance has been circulated in advance. Procedure adopted for processing the same has also been explained and discussed in the Steering Committee meeting. The States may pursue for early clearance and sanction. Fund earmarked for projects which require SFC/EFC etc. clearance shall not be released till the clearance of the same is made.

Internal Procedure followed for Scheme processing :

Developmental schemes are usually formulated by States/NGOs/Agencies/Institutions etc. and forwarded by Planning Department of the concerned State.

The project proposal should be sent to line department of the concerned State Govt. for clearance as regards viabilities/feasibilities of the schemes and these proposals should be forwarded to NEC by the concerned State Planning Department. The Schemes received at NEC Secretariat are sent to concerned sector for processing/scrutiny of the project. If the sector found the project suitable and satisfied all the stipulated conditions of NEC then it is processed and sent to Planning Adviser/Financial Adviser for their views and concurrent. After obtaining planning / financial views the project is forwarded to the Secretary NEC for his final decision and approval. Upon approval by the Secretary, NEC the sector concerned

make draft sanction order and sent that for financial vetting and issued after vetting. The bill is then prepared and sent to RPAO. On clearance of the bill by RPAO, fund for the particular project is released to the implementing agencies.

Flow Chart for Project Processing Mechanism

