

No. NESIDS/4/2020-US(NLCPR)-E.Com No.114461
Government of India
Ministry of Development of North Eastern Region

New Delhi, Dated 21st August, 2023.

To

The Chief Secretaries,
All the North Eastern States.

Subject: Guidelines for administration of the **North East Special Infrastructure Development Scheme (Other than Road Infrastructure) (NESIDS-OTRI)** of the Ministry of Development of North Eastern Region.

Madam/ Sir,

I am to refer to the subject cited above and to forward herewith for information and necessary action the newly-formulated Guidelines, duly approved by the Competent Authority, for administration of the **NESIDS (OTRI)** of the Ministry of Development of the North Eastern Region.

Encl: As above.

Yours faithfully,


(Angshuman Dey)
Joint Secretary to the Govt. of India
Tel:23022503

Copy to:

- (i) Chief Executive Officer, NITI Aayog.
- (ii) Home Secretary.
- (iii) Finance Secretary.
- (iv) Foreign Secretary.
- (v) Secretary, Department for Promotion of Industry and Internal Trade.
- (vi) Secretary, North Eastern Council.

Copy also to:

1. PS to Hon'ble Minister, MDoNER.
2. APS to Hon'ble MoS, MDoNER.
3. PPS to Secretary, MDoNER.
4. PPS to AS&FA, MDoNER
5. PSs to Sr. EA, JS(AD), JS(HS), JS(AC)
6. All Directors/ Deputy Secretaries/ Joint Director in MDoNER.
7. Technical Wing, MDoNER
8. Sr. Director, NIC for uploading on the website of the Ministry

01.

Guidelines for NORTH EAST SPECIAL INFRASTRUCTURE DEVELOPMENT SCHEME (NESIDS) – Other Than Road Infrastructure (OTRI) Component

1. Background

1.1 A Central Sector scheme named “North East Special Infrastructure Development Scheme (NESIDS)”, fully funded by the Government of India, was approved during 2017-18 and was implemented till 31.03.2022 to fill up gaps of infrastructure in certain identified sectors e.g. Connectivity, Power, Water Supply, Health and Education of the Region.

1.2 The approval for extension of NESID Scheme w.e.f. 01.04.2022 till 31.03.2026 has duly been considered and accorded. During the process of extension of the NESIDS w.e.f. 01.04.2022, important decisions have been conveyed to streamline the schemes of Ministry of Development of North Eastern Region (MDoNER), which, inter alia, include the following:

- i. The erstwhile NESIDS will be restructured into two components – NESIDS(Roads) and NESIDS(OTRI).
 - ii. The various infrastructure related schemes, both ongoing as well as those closed previously, but operated to meet committed liabilities, will be suitably subsumed in either component of the restructured NESIDS.
- 1.3** Accordingly, the following steps for streamlining have been taken to be effective from 01.04.2022:
- i. North East Road Sector Development Scheme (NERSDS) stands subsumed under NESIDS (Roads) component.
 - ii. Committed Liabilities under Non-Lapsable Central Pool of Resources (NLCPR) Scheme are to be met from the outlay for NESIDS (OTRI).
 - iii. Hill Area Development Programme (HADP) sub-scheme is being closed as an independent scheme and subsumed within the NESIDS(OTRI) component.

1.4 The extant guidelines for the NESIDS were circulated vide letter No. 1/5/2017/Coord./NLP dated 22-02-2018. In pursuance of the decision to restructure the scheme, the revision of scheme guidelines for administration of the "**NESIDS-Other Than Road Infrastructure(OTRI)**" component is necessitated, which are detailed in the subsequent paras.

1.5 The guidelines hereafter will take effect from 01.04.2022; subject further to the removal of difficulties, if any, with the approval of the Competent Authority.

1.6 Saving Clause for ongoing projects / committed liabilities

For projects that were sanctioned when the NESIDS guidelines circulated vide letter No. 1/5/2017/Coord./NLP dated 22-02-2018 were in effect, will continue to be administered as per those guidelines.

2. Administration of NESIDS(OTRI)

2.1 “NESIDS (OTRI)” will cover all the eight states of the North Eastern Region of India, viz. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.

2.2 The “NESIDS (OTRI)” will be over and above the existing schemes of Government of India and State Governments of the NE Region. However, only those projects would be considered for financial assistance under the scheme which are not covered/ taken up under any other scheme of Central Government or State Government.

2.3 MDoNER will administer the NESIDS (OTRI) towards selection, sanction and monitoring of projects under the scheme, in consultation with the State Governments concerned. The steps for planning, implementation will be taken through the Implementing Agencies (IA) of the respective North Eastern State Government.

2.4 The following guidelines detail the process to be followed for projects to be covered under NESIDS (OTRI) scheme component covering, inter alia,

- a. the normative allocation for each of the States;
- b. identification and prioritization of project proposals by the State and submission of project proposals for selection to the Ministry of DoNER;
- c. selection of the candidate projects by the Ministry of DoNER;
- d. preparation of DPRs, techno-economic vetting and approval of the DPRs; submission of projects for sanction to the Ministry of DoNER by the State;
- e. sanction of projects by the Ministry;
- f. award of works by Implementing Agencies;
- g. release of funds as per extant guidelines of Ministry of Finance;
- h. monitoring and evaluation of projects;
- i. completion and operationalization of projects.

2.5 The Hon'ble Minister, MDoNER will be the ‘Competent Authority’ for the scheme, unless specified otherwise.



3. Objectives

In keeping with the overall vision of the Ministry of DoNER i.e.“Transforming the North Eastern Region through Development, in an Accelerated yet Sustainable manner, affording access to ease of living to all its citizens”, the broad objective of “NESIDS (OTRI)” is to support infrastructure development in identified sectors (specified in **Para 7** of these guidelines) in the North Eastern States.

4. Institutional and Administrative Arrangements

4.1 Empowered Inter-Ministerial Committee (EIMC) at Central Level

There will be an Empowered Inter-Ministerial Committee (EIMC), chaired by the Secretary, Ministry of Development of North Eastern Region, and co-chaired by Chief Secretaries of concerned NE States, comprising representatives of relevant line Ministries, as indicated below:

- i. Secretary, Ministry of Development of North Eastern Region – Chairperson.
- ii. Chief Secretary of concerned North Eastern State – Co-Chairperson.
Chief Executive Officer of NITI Aayog or his/her representative not below the rank of Joint Secretary - Member.
- iii. Home Secretary or his/ her representative not below the rank of Joint Secretary – Member.
- iv. Foreign Secretary or his/ her representative not below the rank of Joint Secretary – Member.
- v. Secretary, Department for Promotion of Industry and Internal Trade or his/ her representative not below the rank of Joint Secretary – Member,
- vi. Representative(s) of line Ministries/ Departments/organizations concerned with the project/ subject in question not below the rank of Joint Secretary – Member.
- vii. Secretary, North Eastern Council – Member.
- viii. Financial Adviser, Ministry of Development of North Eastern Region – Member.
- ix. Joint Secretary in-Charge of NESIDS (OTRI) in the Ministry of Development of North Eastern Region - Member Secretary.

Note: Representatives of the State Government(s) may be co-opted by the EIMC as and when felt necessary.



4.2 Functions of the EIMC

The functions of EIMC shall, inter alia, be as under:

- i. To consider the preliminary project proposals received under NESIDS(OTRI), in terms of their quality, viability and tangible socio-economic impact together with the representatives of concerned line Ministries/Departments of Government of India and State Governments; and make suitable recommendations for selection from amongst the candidate projects.
- ii. To consider the final project proposals received from the State Level Empowered Committees (SLECs) together with the comments of the concerned central line Ministries/Departments and make suitable recommendations for approval of the Competent Authority.
- iii. To recommend effective means for Monitoring and Evaluation through field inspection *inter alia* through suitable third-party agencies.
- iv. To review the progress of project implementation under NESIDS (OTRI) and the schemes subsumed in it (NLCPR and HADP), through the SLEC.
- v. To suggest suitable mechanisms for Operation and Maintenance (O&M) of the projects undertaken under NESIDS (OTRI) and the schemes subsumed in it (NLCPR and HADP).
- vi. To consider any other issue as may be received from the SLEC seeking removal of any difficulty in the implementation of NESIDS (OTRI) projects or clarification of guidelines; and make suitable recommendations, including for relaxation/minor modifications, if any, to the provisions of the Scheme .

4.3 Meetings of EIMC

EIMC will meet as frequently as needed, but at least once in three months. EIMC can meet physically, virtually or in hybrid mode, at New Delhi or at any other place in the NER.

4.4 State Level Empowered Committee (SLEC)

The State Governments will respectively constitute a State Level Empowered Committee (SLEC) chaired by Chief Secretary of the State, with the Secretary Planning as the Convenor and comprising Finance and other concerned Secretaries of the State Government Departments, and technical experts deemed necessary, as Members. The Ministry of DoNER will be represented in the SLEC, by the Joint Secretary in-charge of NESIDS(OTRI) and the Financial Adviser or his/ her representative. Representatives from the concerned institution of repute may be specially invited to the respective meetings of the SLEC.

4.5 Functions of the SLEC

The functions of SLEC shall, *inter alia*, be as under:

- i. To review the preliminary project proposals being posed under NESIDS(OTRI) by the State Government to the EIMC at MDoNER, in terms of quality, viability and tangible socio-economic impact of the projects and their alignment with the guidelines of NESIDS(OTRI).
- ii. To prioritize and recommend project proposals to be posed by State Government under NESIDS (OTRI).
- iii. To review and approve for selected projects, the DPRs / techno-economic appraisal undertaken by designated reputed institutes like IIT, IIM, NIT, etc. and make suitable recommendations to MDoNER towards sanction of these projects.
- iv. Regular review and monitoring of the Implementing Agencies' (IAs) project implementation process, *inter alia*, the award of work, timely completion and sending regular/periodic reports to MDoNER relating to projects previously sanctioned under NESIDS (OTRI).
- v. Improving/ strengthening project management system in the State to avoid cost and time overruns in sanctioned projects.
- vi. Ensuring proper mechanisms for Operation and Maintenance (O&M) of NESIDS (OTRI) projects throughout their lifecycle.
- vii. To consider any other issue as may be received from the IAs seeking removal of any difficulty in the implementation of NESIDS (OTRI) projects or clarification of guidelines; and make suitable recommendations to the EIMC, including for relaxation/minor modifications, if any, to the provisions of the Scheme.

4.6 Meetings of SLEC

SLEC will meet as frequently as needed, but at least once in three months. SLEC can meet physically, virtually or in hybrid mode.

5. Financial Outlays

5.1 The total approved expenditure outlay for the NESIDS (OTRI) scheme for a prescribed period shall be as recommended by the EFC and approved by the Union Cabinet. For the period from 2022-23 to 2025-26, the approved expenditure outlay shall be calculated as per the principles laid down in the EFC meeting dated 29-09-2022 read with the clarification dated 10-11-2022. The outlay so calculated shall be separately circulated annually to all concerned by the Ministry, after due approval by the Competent Authority.

5.2 The total approved expenditure outlay shall account for the fund requirement for:

- (i) meeting the committed liabilities of the projects sanctioned till 2021-22 under NESIDS and the schemes subsumed w.e.f. 01-04-2022 under NESIDS viz. NLCPR and HADP .
- (ii) sanctioning of new projects w.e.f. 01.04.2022 onwards.
- (iii) catering to the administrative expenditure for the scheme.

6. Normative allocation for Sanction

6.1 For sanctioning of new projects, w.e.f. 01.04.2022, the overall financial limit under the NESIDS(OTRI) component shall be reckoned on the basis of principles laid down by the EFC meeting dated 29-09-2022 read with clarification dated 10-11-2022. The respective financial limit for sanctioning of new projects for each of the States shall be calculated based on the normative ratios, as given in the **Annexure-A**.

6.2 The respective financial limit so calculated for sanctioning of new projects w.e.f. 01.04.2022, for each of the States, shall be communicated by the Ministry with the due approval of the Competent Authority. States will propose new projects to be undertaken against their respective financial limit for sanctioning, in accordance with these guidelines.

6.3 While the normative ratios shall be followed for the purpose of sanctioning new projects for each of the States, actual fund releases to the Implementing Agencies of different States shall be made from the approved budgetary allocations of MDNER for a particular year flexibly, depending on the actual progress in implementation of ongoing projects, submission of Utilization Certificates (UCs) and requisite documentation (progress reports, photographs) and compliance of any other prescribed conditions against earlier releases.

6.4 In case any State is unable to prioritize and pose new projects under NESIDS(OTRI) upto its normative financial limit (for sanctioning of new projects), the balance amount could be used for sanctioning the prioritized project proposals duly submitted by another State.

7. Identification, Prioritization and Submission of Project Proposals

7.1 Identification of Projects

Concerned line Departments of the State are to formulate further project proposals in line with the **focus sectors** and **preferences** indicated below, while also avoiding any project proposals that may fall under the specified **Negative List**.

7.1.1 The NESIDS (OTRI) component of the scheme shall focus on projects leading to the **creation of physical assets in infrastructure sectors other than roads**,



covering core infrastructure, as well as social infrastructure, subject to the projects not falling in the ambit of or not being taken up by other Ministries/Departments under their schemes.

7.1.2 States can propose infrastructure projects, upto their approved financial limit for sanction of projects, in such sectors, illustratively including the following:

- i. Conservation and multi-purpose utilization of large/iconic water bodies;
- ii. Sustainable water supply system for dispersed villages/habitations;
- iii. Sustainable liquid /solid waste management systems;
- iv. Sustainable power supply system for dispersed villages/habitations, including those related to new and renewable energy;
- v. Civil aviation projects, in particular innovative projects for heli-connectivity, drone technologies, etc. for overcoming connectivity challenges;
- vi. Projects in primary and secondary sectors of education, especially innovative projects for enabling education through digital mode, etc.;
- vii. Projects in primary and secondary sectors of healthcare, especially innovative projects for enabling healthcare through digital mode, etc.;
- viii. Projects in the sectors of telecom, internet, broadband, etc., especially, innovative projects for ensuring telecom and digital connectivity to dispersed villages/habitations;
- ix. Innovative projects for promotion of tourism in the NER States, preferably spread over multiple States and/or multiple infrastructure sectors;
- x. Projects for Improving Sports infrastructure in North Eastern States, especially those with special focus on improving the health and wellness of the local population.

7.1.3 Planning and selection of projects should be based on State-wise Gati Shakti Master Plans. There should be convergence with Gati Shakti approach and the National Master Plan and its portal for superimposing of various data layers while planning and designing of projects to avoid duplication and to ensure efficiency.

7.1.4 Subject to eligibility as per Scheme guidelines, in accordance with the objective of filling-up the developmental gaps in various sectors, preference will be accorded inter se to –

- (a) projects based on a comprehensive plan / core network for a target sector and drawn up to saturate the related requirements on the basis of KPIs of Sustainable Development Goals (SDG) or Multidimensional Poverty Index (MPI) – either for the entire Region, or for multiple States or for an entire State ;



- (b) projects constituting a part of larger programmes being funded through other sources including other Ministries / Departments, Multilateral or Bilateral agencies ;
- (c) projects addressing the developmental requirements of backward areas or populations identified as such, for example border areas, tribal areas and populations.

7.1.5 Negative List

Projects/project components of the following nature shall not be taken up under the NESIDS (OTRI):

- i. Projects which do not lead to creation of infrastructure;
- ii. Road Connectivity infrastructure projects, including bridges, culverts, etc.;
- iii. Projects aimed at livelihood generation, having very limited components for creation of permanent infrastructure;
- iv. Projects under the Agriculture-Horticulture sector, having very limited components for creation of permanent infrastructure;
- v. Projects creating long term or permanent individual benefits or entitlements or for DBT components;
- vi. Projects in sectors which are covered under any other scheme of MDoNER
- vii. Projects for which the concerned line Ministry has already provided funds or plans to provide funds (non-duplication);
- viii. Purchasing / acquiring of land/site for any proposed project;
- ix. Projects of non-public nature seeking to create accommodation or administrative buildings for any central or state government office or their agencies; or for requirements of institutions, whether public, private or autonomous;
- x. Any other specific sector project that may be further specified to be in the Negative List by the Ministry of DoNER.

7.1.6 Minimum Project Size: The minimum project size/cost will be Rs.20 crore for infrastructure projects relating to water supply, power, civil aviation etc.; and Rs.10 crore for infrastructure projects in the areas of primary & secondary sectors of education and health.

7.1.7 Project Site(s): It shall be the onus of the project proposing State Departments or their agencies to ensure that the project site should be available unencumbered to be handed over to the IA for taking up project implementation activities. In no case, the scheme funds shall be used for purchase / acquisition of land/site for any NESIDS(OTRI) project. The latitude and longitude of the project site; in case of project spread across multiple locations the coordinates of all sites, must be indicated, preferably in the concept note itself and necessarily in the DPR.



7.1.8 Cost Estimates: The cost estimates for the projects posed under the scheme should be based on latest Schedule of Rates (SOR) of the concerned line department / State Government. For projects other than Civil works, for which no SoRs are available, estimates may be prepared by the concerned department(s) as per prevailing rules, regulations and practices of the concerned line Ministry of the Government of India. The project cost estimates at the stage of DPR shall be prepared as per the latest schedule of rates applicable and technically sanctioned by the designated technical authority of the concerned central/state line department(s) to whom such powers have been delegated. The techno-economic vetting thereof, shall be further undertaken through the institutions of repute.

7.1.8.1 The cost towards land acquisition and staff component (secretariat expenses) will be inadmissible under the scheme and will have to be borne by the State Government Department/Agency concerned.

7.1.8.2 A portion (upto 1% of the approved outlay) of the budget of the scheme can be earmarked for "**administrative expenses**" for the scheme by MDoNER. This would include charges towards a technology driven comprehensive monitoring architecture, covering all activities starting from project formulation, project approval, project implementation, field inspection and validation visits; setting up a Project Management Unit; capacity building, etc.

7.1.8.3 The total cost sanctioned for any project must be inclusive of the GST. The **CGST and SGST** applicable must therefore be explicitly mentioned in the cost estimates at the stage of submission of the project DPR for seeking sanction of projects.

Note: The various unit costs in the applicable Schedule of Rates may be inclusive or exclusive of the CGST and SGST. Nonetheless, the explicit mention as prescribed herein above has to be ensured in every case.

7.1.8.4 The **Operations and Maintenance (O&M)** cost for the first four years after project completion shall be made a part of the total project cost. The mechanism proposed for O&M support beyond the four year period may also be clearly indicated in the DPR, and highlighted during the EIMC meeting. Unless specified otherwise, the O&M cost of the projects sanctioned under the scheme beyond the first four years after completion shall be borne by the State Government concerned.

7.2 Prioritization of Projects

The **Planning Department of the State** will **prioritize** the eligible proposals so received upto the limit of normative allocation for the State under the scheme for sanction of projects, and obtain **approval of Chief Secretary** of the State to the priority list and the individual proposals included therein.



7.3 Submission of Proposals for Selection

7.3.1 The State Government will submit the proposals of prioritized candidate projects along with all requisite documents and checklist to the Ministry of DoNER, for selection under NESIDS (OTRI), after due approval of the Chief Secretary.

7.3.2 Checklist for Selection (**Annexure-B**) shall include the specified requisite documents *inter alia* Concept notes highlighting the need/justification for undertaking such projects, intended beneficiaries, cost estimates based on latest Schedule of Rates, envisaged Output & Outcomes linked to targeted district-level SDG gaps, etc.

7.3.3 Mode of Submission of proposals: Initially, the proposals under the NESIDS(OTRI) may be submitted to the Nodal Wing for the scheme at MDoNER either through email or physically. However, once a workflow-based online system for the scheme is launched by MDoNER, all proposals (along with the necessary supporting documents) must necessarily be submitted to MDoNER through the online system only, and no proposal will thereafter be accepted through any other mode.

8. Project Selection at MDoNER

8.1 MDoNER, on receipt of the project proposals / concept notes, will, after preliminary scrutiny of the same as expeditiously as possible, circulate the same to the concerned Central line Ministries/Departments, NITI Aayog, IFD MDoNER (as applicable),etc. for their preliminary comments to be sent, within 2 weeks. For projects in sectors like power and water, the comments from respective authorities like Central Electricity Authority (CEA), Central Ground Water Board (CGWB), etc. may also be obtained. In the preliminary comments, the concerned ministry/department is expected to provide broad guidance on the following aspects:

- a) Whether any components of project that can be funded under an existing scheme of the line department/ministry
- b) Choice of technology to be considered
- c) Standard cost norms to be followed
- d) Convergence related points to be considered when preparing DPR

8.2 After receipt of preliminary comments of Central line Ministries/Departments, IFD MDoNER, etc., if any, the Nodal Division in MDoNER will place the same together with the comments based on the preliminary scrutiny, if any, before EIMC for consideration for selection of the projects. Projects that address gaps identified by Sustainable Development Goals (SDG) indices shall be preferred for selection.

8.3 EIMC, after due consideration of the project proposals placed before it will make suitable recommendations for the **selection** of the projects. The recommendations of EIMC would be submitted to Competent Authority in MDoNER for approval.



8.4 Recommendations of EIMC as approved by the Competent Authority, will be conveyed to the State Government to enable them to get the DPRs of the selected projects prepared and take further necessary steps for obtaining sanction eventually.

Note: The list of projects posed by State Governments before the EIMC will be indicative guides and the EIMC will not be bound by that priority. Project acceptance would depend on its soundness in terms of its viability and tangible socio-economic impact.

9. Preparation of Detailed Projects Report (DPR) and its techno-economic vetting

9.1 The State Government will prepare Detailed Project Reports (DPRs) of the selected projects communicated to them after convening of the EIMC. The scope of the project in the DPR must be the same as proposed in the Concept Note and approved by Competent Authority at MDoNER based on recommendations of EIMC.

9.2 In DPR, the provision and cost for evaluation of the project at the end of the completion of the project may also be included. For projects with long gestation periods, a mid-term evaluation may also be provisioned. The DPR must contain the quantifiable details for Output-Outcome deliverables including but not limited to the number of beneficiaries, targeted SDGs, quantum of employment generation, project sustainability and O&M components required.

9.3 The State Government will also submit project techno-economic appraisal report of such DPRs from institutes of national repute like IIT/IIM/NIT, etc. For projects in sectors in which the institute of repute may not have in-house expertise, the institute may get the appraisal done from another institute that has the necessary sectoral expertise. The cost of DPR preparation and techno-economic vetting by these institutes shall be an admissible component to be included in the project cost proposed under the scheme.

9.4 The final proposal, along with the techno-economic appraisal of DPR of the project, will be placed before the State Level Empowered Committee (SLEC) for approval and making suitable recommendations to MDoNER for sanction of the project. Proposal placed before the SLEC must contain the DPR, Technical and economic appraisal of the project from institution of national repute like IIT/ IIM/NIT, confirming the reasonableness of cost estimates, mechanism for O&M, sustainability plan, all the necessary/applicable regulatory and statutory clearances like forest & environment, land acquisition, certificate regarding non-duplication of project with other schemes, robust Monitoring and Evaluation mechanism, etc.

9.5 Planning Department of the State will submit the final proposal to MDoNER for sanction along with SLEC recommendations/minutes together with a **Sanction Checklist (Annexure-C)** and all regulatory and statutory documentation, inter alia, forest & environment clearances, land availability certificate, non-duplication certificate, abstract of costs, report of techno-economic vetting of DPRs by SLEC, output-outcome brief/analysis, etc. The final proposal should also be accompanied with the Executive Summary of the DPR and the techno-economic appraisal report of the institute of national repute.

10. Sanction of Projects

10.1 MDoNER, on receipt of the final proposal for sanction, will, after preliminary scrutiny of the same, circulate the same to the concerned Central line Ministries/Departments, NITI Aayog, IFD MDoNER, etc. for vetting/comments.

10.2 After obtaining the comments of Central line Ministries/Departments, NITI Aayog, IFD MDoNER, etc., if any, the Nodal Division of the scheme in MDoNER will place the same before EIMC for consideration for recommending approval / sanction of the project.

10.3 The EIMC, after due consideration of the project proposals placed before it, will make suitable recommendations for the **sanction** of the projects. The recommendations of EIMC would be submitted to the Competent Authority in MDoNER for approval. After approval duly to the recommendations of EIMC by the Competent Authority in MDoNER, the **Administrative and Financial Sanction (AFS)** of the project will be issued in consultation with Integrated Finance Division (IFD), MDoNER.

11. Award of Works by Implementing Agencies

11.1 Works shall be awarded by the State Government within six months of the issue of the AFS by the Ministry of DoNER and a copy of the work order must be endorsed to the Ministry. In case, no work order is received by Ministry of DoNER within a period of six months from the date of AFS, the sanction of the project may be liable for cancellation, unless approved by the Competent Authority at MDoNER.

11.2 No work shall be undertaken by the State Government before the issue of AFS by the Ministry of DoNER. No execution of Contract Agreement or Award of works should be done before issue of AFS. Any work done prior to issuance of AFS of the project will be liable to be not funded by the Ministry of DoNER.

11.3 State Governments should award the contract through open competitive bidding after fulfilling all codal formalities as per State Government's prescribed procedures in a

transparent manner to ensure value for money. State Government should mandatorily ensure e-tendering process with 2 stage bidding. If e-tendering is not followed, then the work order is liable to cancel, subject to approval of competent authority.

11.4 To limit construction risk (time and cost over runs), infrastructure projects should be awarded in Engineering-Procurement-Construction (EPC) mode, on fixed cost basis, with provision for liquidated damages. The tender notices and contracts may also include binding clauses for incentives to contractors for early completion and penal provision for delay. The latest General Financial Rules (GFR) of the Ministry of Finance, Government of India, as applicable, shall be strictly followed.

11.5 In case of projects worth more than Rs 100 (hundred) crore, there should be adequate contractual provisions for concurrent monitoring of the projects by an independent third party agency.

Note: If it is not feasible to award the project work in EPC mode, EIMC, based on the recommendations of the SLEC, would be empowered for relaxation in this regard on case-to-case basis.

12. Change in Scope

12.1 Change in scope of a project selected by the EIMC would not be permitted in the usual course. However, at times there may arise situations that necessitate some minor change in scope/cost of the projects. For instance, the ground situation may necessitate some minor change in scope/cost with reference to the previously indicated scope/cost at the time of submission of concept note considered by the EIMC. Similarly, the ground situation may also necessitate some change in scope/cost of a project during its implementation, with reference to the previously sanctioned cost/scope of the project (as per DPR) by the EIMC.

12.2 In both these cases, any proposal for change in scope/cost of a project will be governed by the Ministry of Finance, Department of Expenditure OM No. 24 (35)/PF-II/2012 dated 05-08-2016 as amended from time to time. Any such minor change envisaged in the scope/cost of the project must be submitted before the EIMC giving adequate justifications for such minor changes, along with the **Checklist at Annexure-D**.

13. Release of Funds under the Scheme

13.1 Release of funds for the sanctioned projects under the scheme will be done using appropriate Central Nodal Agency (CNA) model, as per M/o Finance, D/o Expenditure's guidelines dated 9.3.2022 and instructions issued from time to time in this regard.

13.2 Before release of funds for any project, however, the Programme Division of the Ministry must ensure that the State Government has submitted requisite documentation for justification of the release of funds, such as Utilization Certificates (UCs) for funds already released, latest Quarterly Progress Reports (QPR), geo-tagged photographs, etc., as proof of physical progress in the project as well as utilization of funds already released.

13.3 Projects worth Rs.50 (fifty) crore and above shall be inspected by officials of MDoNER before release of the last installment of funds.

13.4 While sanctioning of new projects for each of the States will be based entirely on their alignment with the scheme guidelines and on the quality of project proposal in terms of their viability and tangible socio-economic impact (as indicated in **para 7** above), actual fund releases to the Implementing Agencies of different States shall be made from the approved budgetary allocations of MDoNER for a particular year flexibly, depending on the actual progress in implementation of ongoing projects, submission of necessary documents as per GFR, compliance of any other prescribed conditions against earlier releases, etc.

14. Monitoring & Evaluation Mechanism

14.1 Instructions of Ministry of Finance, as applicable, for concurrent monitoring and mid-term evaluation of the schemes shall be followed.

14.2 The primary responsibility of monitoring of the projects sanctioned under the scheme vests with the State Government and its designated officers, including the officers of Implementing Agency, State Planning Department and SLEC. The objective of monitoring will be to ensure the completion of projects as per the committed time schedule, sanctioned cost and prescribed quality standards.

14.3 The State Government will put in place a robust mechanism for monitoring the implementation of projects sanctioned under the scheme. The head of the designated implementing agency of the State Government will be deemed as a Nodal Officer, and Secretary (Planning) of the State Government will be deemed as Chief Nodal Officer for monitoring purposes.

14.4 The SLEC must monitor the implementation of previously sanctioned projects as a specific part of the agenda during its meetings convened. For this purpose, quarterly physical and financial progress report of the project should be furnished by the



Implementing Agency to the SLEC, within three weeks of the end of the quarter under report.

14.5 The State Government must carry out periodic inspections for ensuring faster execution, quality checking of the projects and their timely completion. For project worth more than Rs 100 crore, inspections shall be carried out at predefined milestones. While such milestones could be individual project-specific, the inspections should be conducted no later than 25%, 50%, 75% and 100% of physical progress of the projects.

14.6 The Field Technical Support Units (FTSUs) operationalized by MDoNER in all the eight North East States shall also report the monthly progress of projects until their operationalization to MDoNER. The quarterly reports to be furnished by the FTSUs to MDoNER should be countersigned by the Project Implementing Agency to ensure consistency. MDoNER may also conduct inspection(s) of the project on sample basis through its officers.

14.7 All Implementing Agencies must adopt Information Technology and Space Technology (geo-tagging of assets, NeSDR) for better monitoring of projects. MDoNER/NEC will facilitate the States in this monitoring by providing the necessary technology platform and guidance to the designated Chief Nodal Officers of all States.

14.8 Third party monitors may also be engaged for concurrent monitoring to ensure timely completion of projects. The EIMC may also recommend third party monitoring of selected NESIDS(OTRI) projects, preferably from amongst those costing more than Rs. 100 crores.

15. Completion and Operationalization of Projects

15.1 The project should be operationalized and put to its intended use at the earliest possible. For timely completion and operationalization of infrastructure projects, use of EPC contracts with liquidated damages should be followed by the Implementing Agencies. All projects must be got completed within the scheduled time frame as given in the work order/contract agreement. Any cost overrun over and above the approved/sanctioned cost in any project, due to delay in implementation or any other reasons, shall be borne by the concerned States. MDoNER will not provide any additional funds to meet such time or cost overruns.

15.2 After completion of the project, a Completion Certificate along with necessary Documents will be submitted by the Implementing Agency through Planning Department of the State Government.



15.3 The State Government shall also ensure proper upkeep, operation and maintenance of the assets / facilities created through the NESIDS(OTRI) project.

15.4 The State Government shall ensure that the land on which the project is constructed and the assets/ facilities created out of NESIDS(OTRI) funds will not be transferred/ sold/ alienated/ mortgaged without the approval of Ministry of DoNER, Government of India.

16. Transparency and Publicity of Information

In order to ensure that the information about development schemes/plans/projects being financed through the NESIDS (OTRI) reaches the targeted beneficiaries, there is need to ensure greater transparency and publicity of information. Hence, such basic details of the project such as date of completion, cost of the project, source of funding i.e. NESIDS (OTRI), name of the designated agency for execution of the project, contractor's name, etc. must be available in public domain and given wide publicity in media (including social media) as per the guidelines of Government of India in this regard.

17. Interpretation/Relaxation/Modification to Scheme Guidelines

17.1 Within the broad framework of the guidelines, MDoNER may, from time to time, issue instructions for ensuring effective and timely implementation of the scheme, processing / appraisal of the proposals in a time-bound fashion, regular monitoring, supervision, and such other related matters.

17.2 In cases of any doubt or lack of clarity related to these guidelines, arising during the life cycle of a project, the relevant rules, guidelines, codes, manuals, etc., of the concerned Central Ministries would be applicable.

17.3 Within the broad framework of the scheme, MDoNER may, based on the recommendations of the EIMC and with the approval of the Competent Authority, make necessary modifications to the scheme's guidelines/in any clause of the scheme guidelines, which are considered necessary for ensuring smooth implementation of the scheme and/or removing any bottlenecks in its implementation.

17.4 In exception circumstances, and for reasons to be recorded in writing, the Competent Authority, on the recommendations of the EIMC, may relax any of the above conditions.

Annexure-A

Basis for Normative Allocation amongst States under NESIDS(OTRI)

[Ref. Para 6 of the Guidelines]

The state-wise percentage of share worked out for apportionment of the normative allocation under NESIDS (OTRI) shall be as under:-

Sl. No	State	Percentage (%)
1.	Arunachal Pradesh	13.06
2.	Assam	27.78
3.	Manipur	9.98
4.	Meghalaya	10.76
5.	Mizoram	10.42
6.	Nagaland	10.18
7.	Sikkim	6.54
8.	Tripura	11.28
	Total	100.00

Signature

Annexure-B

Checklist for Project Selection

[Ref. Para 7.3.2 of the Guidelines]

Sl.No.	Item	Remarks
1.	Concept Note, highlighting the following: a. rationale for the project, intended beneficiaries and its socio-economic benefit b. alignment of proposed project with the focus areas indicated under the scheme guidelines c. KPIs for monitoring the project d. SDG or other indices that the KPIs will impact and how e. Rough cost estimates as per latest SoR	
2.	Convergence Plan – indicating how the proposed project converges with the other ongoing interventions of Government in the space	
3.	Prioritized list of projects, duly approved by the Chief Secretary	

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Checklist for Project Sanction**[Ref. Para 9.5 of the Guidelines]**

Sl.No.	Item	Remarks
1.	Approval of Concept Note from MDoNER (<i>Minutes of EIMC</i>)	
2.	Compliance with the comments (<i>if any</i>) of the concerned line Ministry/ Department and conditions specified by EIMC (<i>if any</i>) at time of selection of project	
3.	Endorsement on DPR by SLEC and submission of project proposal to MDoNER (minutes of SLEC to be enclosed)	
4.	Proposal submitted to MDoNER must indicate, inter alia, the following: <ul style="list-style-type: none"> a. Project Snapshot b. Expected beneficiaries and socio-economic impact c. Alignment of proposed project with the focus areas indicated under the scheme guidelines d. Timelines for implementation e. Sustainability Plan f. Mechanism for O&M (during and after project completion) g. Cost Estimates, clearly indicating the basis for unit costs h. All Sources of funding the project i. Location(s) of project with geo-coordinates j. Satellite image / photograph of project site k. Alignment with Gati Shakti Master Plan to demonstrate convergence l. Compliance with guidelines of concerned line Ministry/ Department m. Output-Outcome framework with KPIs for monitoring the project n. Provision for project evaluation(s) 	
5.	Report of the institute of national repute on the techno-economic appraisal of DPR, along with the Executive Summary of the DPR	
6.	Statutory Clearances, <i>as applicable, such as:</i> <ul style="list-style-type: none"> a. Forest & Environment b. Town and Country Planning c. Industries 	
7.	Certificates for following: <ul style="list-style-type: none"> a. Availability of encumbrance-free land for the project b. Certification that costs proposed is as per the latest applicable Schedule of Rates c. Non-duplication Certificate, duly endorsed to the concerned line department in the States, within whose purview the project falls 	

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Annexure-D

Checklist for Change in Scope of Sanctioned Project

[Ref. Para 12.2 of the Guidelines]

S.No.	Item	Remarks
1.	Reason for proposing Change in Scope, along with certification that the proposed change is within the scheme guidelines	
2.	Revised Timeline for completion	
3.	Change in the cost of project due to proposed change	
4.	Vetting of revised cost by the institute of national repute that had previously appraised the project proposal	
5.	Approval from SLEC on the Change in Scope	
6.	Compliance with comments of concerned line Ministry/Department or EIMC received previously, if any	

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