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Government of India
Ministry of Development of North Eastern Region

Vigyan Bhawan Annexe, Maulana Azad Road,
New Delhi – 110011

Dated: the 29th August, 2022

To


1. Chief Secretaries of North Eastern Region States (as per list attached)

Subject: Guidelines for administration of “Prime Minister’s Development Initiative for North-East Region (PM-DevINE)” Scheme-Reg

Sir,

I am directed to refer to the above mentioned subject and to forward herewith Guidelines for administering the newly formulated scheme “**Prime Minister’s Development Initiative for North-East Region (PM-DevINE)**” for information and further necessary action. It is requested that all projects posed under PMDevINE may follow the enclosed Guidelines strictly.

Encl.: as above


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Copy for information to:

1. PS to Secretary, MDoNER
2. PA to Sr.EA, MDoNER
3. DS(PV)/JD(BBP)
4. Director (NIC) for uploading in the website of the Ministry
5. Guard file

**GUIDELINES FOR THE PRIME MINISTER'S DEVELOPMENT INITIATIVE FOR
NORTH EAST REGION (PM-DevINE) SCHEME**

1. Introduction

A new scheme, Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23. An initial allocation of Rs 1,500 crore was made along with an initial list of projects (**Annexure-A**).

2. Objectives of the PM-DevINE Scheme

PM-DevINE is aimed at rapid and holistic development of the North- East Region by funding infrastructure and social development projects, based on felt needs of the States. It will strive to fill the gaps in various sectors and will not be a substitute for existing Central and State Schemes. The objectives of PM-DevINE are:

- i. To Fund infrastructure convergently, in the spirit of PM GatiShakti;
- ii. To Support social development projects based on felt needs of the North East;
- iii. To Enable livelihood activities for youth and women;
- iv. To Fill the development gaps in various sectors.

3. Institutional arrangement to administer PM-DevINE Scheme

- 3.1. The allocation for PM-DevINE Scheme will be communicated every year by the Ministry of Finance to Ministry of DoNER.
- 3.2. The candidate projects to be taken up under the PM-DevINE Scheme can be posed by the Central Ministries/Departments or the State Governments.
- 3.3. The Scheme will be implemented by the Central Ministries/Departments or the North Eastern Council / State Governments, through the Implementing Agencies identified project-wise.
- 3.4. An Empowered Committee under chairmanship of Secretary, Ministry of DoNER has been formed. The Committee will be serviced by the Ministry of DoNER. It will screen, appraise and recommend project proposals for implementation by appropriate agency. The Committee will also monitor progress of sanctioned projects to ensure the utilization of the allocated funds under PM-DevINE Scheme.

3.5. The Empowered Committee will have the following composition:

| | | |
|-------|--|------------------|
| i. | Secretary, Ministry of DoNER | Chairman |
| ii. | CEO, NITI Aayog, or his/ her representative, not below the rank of Joint Secretary. | Member |
| iii. | Secretary of the Central Ministry concerned, or his/ her representative, not below the rank of Joint Secretary | Member |
| iv. | Chief Secretary of the concerned NE State(s), or his/ her representative, not below the rank of Secretary | Member |
| v. | Financial Adviser of the Central Ministry concerned | Member |
| vi. | Financial Adviser, Ministry of DoNER | Member |
| vii. | Secretary, North Eastern Council, Shillong | Member |
| viii. | Sr. Economic Adviser / Economic Adviser / JS in-charge of PM-DevINE, Ministry of DoNER | Member-Secretary |

The Committee may co-opt other officers from Ministries / Departments / North Eastern Council / State Governments.

3.6. The functions of the Empowered Committee are:

- i. To assess projects/schemes proposed under PM-DevINE Scheme by the Central Ministries/Departments and North Eastern Region States in terms of viability and tangible socio-economic impact.
- ii. To discuss the list of projects with the representatives of concerned Central line Ministries/Departments of Government of India and State Governments; and make suitable recommendations for funding of identified projects.
- iii. To recommend the implementation time frame for the identified projects and the physical and financial milestones.
- iv. To recommend effective means for Monitoring and Evaluation through field inspection on a periodic basis and also recommend for suitable third-party monitoring.
- v. To suggest a suitable mechanism for Operation and Maintenance (O&M) of the projects undertaken in PM-DevINE.
- vi. To suggest policy changes to obviate bottlenecks in project implementation.

- 3.7. The Empowered Committee will meet as per requirements, but at least once in three months.

4. Identification and Formulation under PM-DevINE Scheme

- 4.1. The guiding principles for projects to be submitted by Central Ministries/ Departments and NER States to be funded under PM-DevINE Scheme are:

- i. The maximum and minimum amount which may be sanctioned under the PM-DevINE Scheme shall be Rs. 500 crore and Rs.20 crore respectively, in any one scheme, intervention or project.
- ii. Each location-specific project would be counted as one; and clubbing many projects into one to increase the size of the project would not be acceptable.
- iii. No Schemes creating long-term or permanent individual benefits or entitlements shall be recommended by the Empowered Committee.
- iv. The North Eastern States will submit an annual list of proposals along with Concept Papers / Notes, for projects to be funded under PM-DevINE Scheme. Central Ministries/Departments or NEC, Shillong may also propose projects similarly, for funding under the PM-DevINE Scheme.
- v. NITI Aayog and MDoNER, in collaboration with UNDP, have prepared the NER District SDG (Sustainable Development Goal) Index (Baseline Report 2021-22), which inter-alia points the SDG gaps at district level in the Region. This Report (and its updates) would increasingly be used for project identification and formulation under PM-DevINE. The Concept Paper/ Notes of proposed projects would invariably include justification of the project also in terms of the identified SDG gaps.
- vi. The State Governments will constitute a State Level Empowered Committee (SLEC) chaired by the Chief Secretary and comprising Planning, Finance and other concerned Secretaries of the respective State Government, as deemed necessary. The Ministry of DoNER will be represented in the SLEC by Sr. Economic Adviser / Economic Adviser / JS in-charge of PM-DevINE and the Financial Adviser (or his representative), DoNER.

- vii. The list of projects of State or Central Ministries / Departments will be suggestive guides and the Empowered Committee will not be bound by that priority. Project acceptance would depend on its soundness in terms of its viability and tangible socio-economic impact.
- viii. While projects and funding under PM-DevINE would be targeted to reach across all NER States to the extent possible, this should not, however, be an overriding constraint inhibiting sanction of projects and utilization of financial resources available in any year across the North-Eastern States.
- ix. The cost indicated in the Concept Paper of the project shall be based on latest applicable Schedule of Rates.
- x. The costs towards land acquisition, relief and rehabilitation and staff establishment components will be inadmissible under the Scheme.
- xi. The Empowered Committee will suggest a suitable mechanism for Operation and Maintenance (O&M) of the projects undertaken in PM-DevINE. However, O&M funding for any project will not be sought from Central Government Departments/ Ministries. O&M cost for the first 4 years after project completion may be made a part of total project cost.
- xii. The Central Ministries /Departments or the State Governments concerned will prepare Detailed Project Reports (DPRs) of the identified projects conforming to the Concept Note accepted. The cost of DPR preparation and its appraisal may be included as a part of the project cost. The Central Ministry/Department or the State Government will get the technical and economic appraisal done for the DPRs by institutes of national repute like IIT/IIM/NIT etc. In DPR, the provision and cost for evaluation of the project at the end of the completion of the project may be included. In case of projects with long gestation period, mid-term evaluation may also be provisioned. DPR must contain the quantified details for Output-Outcome deliverables including the number of beneficiaries, quantum of employment generation, etc. Further, it should also include Project sustainability and O&M components required for the sustainable project.
- xiii. The DPR of projects will be submitted along with appraisal report by a Central Ministry / Department or a North Eastern State Government to the

Empowered Committee for its consideration. This must be accompanied with all regulatory and statutory clearances like forest & environment, land acquisition, non-duplication certificate, availability of stone quarry etc., whichever applicable.

- xiv. The Central Ministry / Department or the North Eastern State Government may also consider posing innovative projects with substantial socio-economic impact or sustainable livelihood opportunities for the general public (e.g., e-classrooms, heliports for boosting tourism, basic infrastructure in all Primary Health Care Centers, comprehensive facilities in Government primary and secondary schools, etc).
- xv. One of the objectives of PM-DevINE is to fund infrastructure in the spirit of PM GatiShakti. For availing such funding under the PM-DevINE, NE Region States or Central Ministries / Departments should ensure inter alia the following institutional arrangement/ alignment to policy environment:
 - a) Updation of required data layers on PM GatiShakti National Master Plan (NMP) including land revenue maps,
 - b) Formulation of State Logistics Policy,
 - c) Creation of administrative structures i.e. Empowered Group of Secretaries (EGoS), Network Planning Group and Technical Support Unit.

5. Sanction of PM-DevINE Projects

- i. The DPR of the projects so prepared, together with the Appraisal Note, and recommendation of SLEC (if applicable) will be placed before the Empowered Committee for its appraisal and recommendation. .
- ii. The Empowered Committee will discuss the list of projects with the representatives of concerned line Ministries/Departments of Government of India and State Governments and will make suitable recommendations for sanction of identified projects.
- iii. For the projects sanctioned under the PMDevINE Scheme, it should be ensured that there is no duplication with any other MDoNER scheme or those of any other Central or State Ministry/ Department.

- iv. The recommendations of the Empowered Committee will be submitted to the Minister in-charge of DoNER for approval.
- v. After approval of Minister in-charge, the project will be sanctioned by issuing Administrative and Financial Sanction (AFS) of the project and release of token amount (Rs. 10 lakh) in consultation with the Integrated Finance Division of the Ministry of DoNER.
- vi. Work has to be awarded preferably within six months of the issue of AFS. In case no work order is received by the MDoNER within six months of the issue of AFS, the sanction of the project may be liable to be cancelled.

6. Implementation of Projects

- i. It has to be ensured that all projects are awarded on competitive bidding basis to ensure value for money to the Government. E-tendering process with two stage bidding shall be strictly followed as per existing guidelines of Central / State Government.
- ii. To limit construction risk (risk of time and cost overrun) for the Government/ public sector, projects will generally be awarded on EPC (Engineering-Procurement-Construction) mode on fixed cost basis with liquidated damages.
- iii. The latest General Financial Rules (GFR) of the Ministry of Finance, Government of India, as applicable, shall be strictly followed.
- iv. Time and cost overruns are to be avoided / minimized. Funding for cost overruns for any project shall not be sought from Central Government Departments/ Ministries.
- v. To the extent possible, efforts should be made to complete the PM-DevINE projects by 2025-26, so that the committed liabilities beyond this year are minimized. This may imply front-loading of the sanctions and expenditure under the Scheme. Thus, the target for 2025-26 shall, as far as possible, be to obviate the need for new project sanctions in 2025-26 ; and focused attention be given to complete the already sanctioned PM-DevINE projects.
- vi. A system of incentives and penalties based on record of project implementation (minimizing time and cost overruns) will be put in place. At the minimum,

performance in project implementation will be taken into consideration while sanctioning new projects.

7. Disbursal of Funds

- i. The PMDevINE Scheme should be implemented as per Model 1 of the Department of Expenditure (DoE) Guidelines dated 9th March, 2022. The expenditure should be based on authorization and funds should not be transferred to bank accounts of Implementing Agencies.
- ii. Once a project either of a Central Ministry / Department or a North Eastern State Government is recommended by the Empowered Committee and accorded sanction with the approval of the Minister in-charge of DoNER, the Administrative and Financial sanction of the project will be issued along with the token amount of Rs 10 lakh, in accordance with the latest guidelines issued by Ministry of Finance, and in consultation with Integrated Finance Division (IFD), MDoNER for tendering by the implementing agency. The agency is expected to undertake preparation of tender documents since the time of preparation of DPR and finish the award of work through tender, preferably within a period of 6 months after sanction. In case, no work order is received by Ministry of DoNER within a period of 6 months of the release of token amount of Rs. 10 lakh, the sanction of the project may be liable for cancellation.
- iii. No work shall be undertaken by the State Government/ NEC/ Central Ministry/ Department before the issue of Administrative and Financial sanction by the Ministry of DoNER. No execution of Contract Agreement or Award of works should be done before sanction of the project. Any work done prior to sanction of the project will not be funded by the MDoNER.
- iv. After completion of the tendering process, the funds shall be released by the Ministry of DoNER / NEC in installments, subject to the applicable procedure for flow of funds as per the Ministry of Finance / Department of Expenditure Guidelines. For specific / individual projects, once award of work through tender is completed, up to a maximum of 40% of project cost will be released as first installment. The second installment of 40% of the project cost will be released once the Central Ministry / Department or the North Eastern State Government

mandatorily furnish the utilization certificate for 75% of the first installment released together with the commensurate physical progress report, duly signed by the Head of the implementing agency and countersigned by the designated authority not below Joint Secretary in the Central Ministry / Department concerned or the State Government Planning Secretary.

- v. The third and final installment of 20% of project cost will be released after submission of utilization certificate for 100% of the first installment released and 75% of the second installment released together with the commensurate physical progress report, duly signed by the Head of the implementing agency and countersigned by the designated authority not below Joint Secretary in the Central Ministry / Department concerned or the State Government Planning Secretary.
- vi. Request for release of second and third installments of funds by the Central Ministry / Department or the North Eastern State Government must be accompanied with:
 - a. Utilisation Certificates (UC) for 75% of 1st instalment released in case of second instalment and 100% of 1st instalment released and 75% of 2nd instalment released in case of third instalment.(GFR12-C);
 - b. Quarterly Progress Report (QPR);
 - c. Photographs (with lat-long details) of the works completed;
 - d. Inspection report from the Ministry/NEC.
- vii. Efforts should be made by the Central Ministry / Department or the North Eastern State Government to complete the projects within the prescribed time limit. Any delay in completing the project beyond the scheduled date, apart from attracting applicable penalties as per contract, would also have implications while considering sanction of future projects submitted by the concerned Central Ministry / Department or the North Eastern State Government.
- viii. After completion of the project, a Completion Certificate along with utilization certificate of the total fund released will be submitted by the implementing agency to NEC, Shillong through the State Government concerned, for the projects implemented by the North Eastern States implementing agencies. For projects of Central Ministries/ Departments, implementing agency will submit

the Completion Certificate and Utilization Certificate to Ministry of DoNER through their Central Ministry / Department.

8. Monitoring & Evaluation

- i. The Central Ministries/Departments and / or the concerned North Eastern State Government will put in place a robust monitoring mechanism for proper implementation of the projects sanctioned under the PM-DevINE scheme. The mechanism will preferably consist of officials not directly concerned with implementation of a particular project.
- ii. The Central Ministries/Departments and the concerned North Eastern State Government will carry out periodic inspections for faster implementation of the projects and their timely completion.
- iii. The designated agency of the Central Ministry /Department and the North Eastern State Government concerned will each nominate one nodal officer for each project to ensure close monitoring and adequate efforts to complete the project as per schedule.
- iv. Monitoring and evaluation of implementation of the project will be undertaken through concurrent field inspections by officers of the Ministry of DoNER/ NEC, as well as through impact studies, social audit and third-party Monitoring and Evaluation through independent agencies on the recommendation of Empowered Committee.
- v. The Central Ministries/Departments, NEC and the concerned North Eastern State Government will encourage the use of modern technical tools - of Information Technology (IT), space technology etc. for monitoring the projects.
- vi. The line Ministries of Government of India may conduct inspection of the projects through their officials while on tour of the project area.
- vii. The implementing agency shall report the physical and financial progress in respect of every project at the end of every quarter to Ministry of DoNER/ NEC. Such Quarterly Progress Reports (QPRs) should reach Ministry of DoNER/ NEC within three weeks of the end of the quarter under report.

9. Transparency and Publicity of Information

To ensure that the information about development schemes being financed through PM-DevINE reaches the targeted beneficiaries, there is need to ensure greater transparency and publicity of information. For this purpose, the following should be ensured:

- i. All projects being supported under the Scheme shall be given wide publicity in local media.
- ii. Notice Board, including social audit aspects and QR code, will be made available at the project implementation site. The Board should indicate the date of sanction of the project, likely date of completion, cost of the project, source of funding, i.e., PM-DevINE (Government of India), name of the designated agency for implementation of the project, contractor's name and physical target.
- iii. After completion of projects, a permanent display on site, like plaque on the wall etc. displaying details of PM-DevINE funding shall be placed.
- iv. Information on PM-DevINE projects would also be made available on the MDoNER and NEC websites as also the Project Monitoring Unit Dashboard of MDoNER and NEC.

10. Relaxation/Modification

Relaxation/modification in any of the clauses of the PM-DevINE Scheme Guidelines will be made with the approval of Minister-in-charge, Ministry of DoNER on the recommendation of Empowered Committee under the broad framework of the Scheme.

Annexure-A

| INITIAL LIST OF PROJECTS UNDER PM-DevINE | | |
|--|--|------------------------------------|
| Sl. | Name of the Project | Total Tentative Cost (in crore) |
| 1 | Establishment of Dedicated Services for the Management of Paediatric and Adult Haemotolymphoid Cancers in North East India, Guwahati (Multi-State) | 129 |
| 2 | NECTAR Livelihood Improvement Project (Multi-State) | 67 |
| 3 | Promoting Scientific Organic Agriculture in North East India (Multi-State) | 45 |
| 4 | Construction of Aizwal By-pass on Western Side | 500 |
| 5 | Gap funding for Passenger Ropeway system from Pelling to Sanga-Choeling in West Sikkim | 64 |
| 6 | Gap funding for Eco-friendly Ropeway (Cable Car) from Dhapper to Bhaleydhunga in South Sikkim | 58 |
| 7 | Pilot Project for Construction of Bamboo Link Road at Different Locations in Various Districts in the State of Mizoram | 100 |
| 8 | Others (to be identified) | 537 |
| | Total | 1500 |