

**GOVERNMENT OF INDIA
DEVELOPMENT OF NORTH EASTERN REGION
LOK SABHA**

UNSTARRED QUESTION NO:1687
ANSWERED ON:07.03.2006
EXEMPTION OF NEC PROJECTS FROM CCEA
Sarman Dr. Arun Kumar

Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

- (a) whether the NEC projects were exempted from CCEA/EFC/PIB procedure and other clearances;
- (b) if so, whether this exemption is still continued to be given;
- (c) if not, the reasons therefore;
- (d) whether execution of NEC projects got delayed due to endless procedural scrutiny at various levels;
- (e) if so, the reasons therefor and the time consumed in giving clearance to each project during 10th Plan;
- (f) whether all projects of NEC requires `in principle` clearance from Planning Commission;
- (g) if so, the reasons therefor; and
- (h) the extent to which NEC is an independent planning and executing authority?

Answer

MINISTER, MINISTRY OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI P.R. KYNDIAH)

(a) to (c): NEC Projects were not being subjected to SFC/EFC procedures prior to 1998-99. It was observed that many NEC projects were suffering from cost and time over-run because of deficient project formulation and monitoring. After a careful review it was decided by the Central Government that scrutiny by SFC/EFC/PIB helps in observance of financial prudence and that the interests of NEC would be better served by implementing projects which are considered viable by SFC/EFC/PIB.

(d)&(e): Due to the requirement of obtaining the Planning Commission's `in principle` approval for new schemes costing more than Rs. 5 crores and consultation with the Planning commission, line Ministries, Ministry of Finance (in certain cases) and the State Governments for requisite clarifications and additional information required from implementing agencies, there have been delays in according approval to some projects. The Details are annexed.

(f) & (g): No, Sir. As per the Guidelines for Formulation, Appraisal and Approval of Government funded plan schemes/ projects issued by the Ministry of Finance, `in principle` approval of the Planning Commission is required for projects costing more than Rs. 5 crore so that the projects are properly formulated and appraised on only such projects which are financially and economically viable are approved for sanction and implementation.

(h): The North Eastern Council Act, 1971, as amended in 2002 provides that the NEC shall function as a Regional Planning Body for the N.E. States including Sikkim. It has also been provided that the council shall have such power as may be delegated to it by the Central Government. NEC schemes are generally being implemented by the State Governments, the BRO and other agencies.