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No. J-17015/05/2007-SGSY-II (SP)
Government of India
Ministry of Rural Development
Department of Rural Development

Sped Post

Krishi Bhavan, New Delhi,
Dated 18th May, 2009

To,
Director General,
National Institute of Rural Development
Rajendra Nagar,
Hyderabad (AP).

Subject: **Monitoring and fund routing agency in respect of Special Project under SGSY for creation of jobs in Growth Sectors for rural people including youth in the State of Chhattisgarh to be implemented by M/s. Santek Foundation.**

Sir,

I am directed to state that Project approval Committee (PAC) considered the observation/recommendation made by NIRD vis-à-vis the clarification submitted by PIA in respect of special project mentioned above. During the discussion, Committee took the following observations on record:-


1. The project area falls under the most Naxal affected area and no other agency except PIA namely, M/s Santek Foundation was forthcoming to implement the project in these areas.
2. State Government representatives had been vehemently arguing before PSC and PAC for approval of this project as these are going to make effect in naxal affected areas. Keeping in view the State Government's request, the State share to the tune of 25% of the project cost was also waived.
3. PIA has been undertaking monitoring/evaluation/research assignment given by various Ministries/Departments. On verification, 4-5 Ministries/ Departments including MoRD (Monitoring Division) have furnished satisfactory report about the PIA.
4. PIA has been undertaking industry specific research studies. As such, agency is in a better position to have good networking with the industry.
5. Committee also gone through the clarification submitted by PIA on the observations made by the NIRD.
6. Imposition of conditionality of having infrastructure etc. prior to the sanction of the project will restrict to have only fewer choice and no new entrants will be able to rope in under the scheme.
7. Since NIRD has expressed reservations about the capability of the PIA, it may be fair that initially the project size may be scaled down to the half. The project size is kept at 50% at this stage to ensure the economy of scale. NIRD will monitor the project and submit its report before PAC after 6 months for review. If the progress is found satisfactory, Committee may consider the restoration of the volume of the project as initially sanctioned.

Keeping in view the facts stated above, PAC took the following decision:-

- (a) The total number of beneficiaries to be covered under the project will be 8,200 and project cost will be reduced to Rs.749.76 lakh. Fund will be released in 3 installments in the ratio of 25:50:25.
- (b) NIRD will be the monitoring agency and it will submit its report before PAC after 6 months for review by PAC.
- (c) If the progress is found satisfactory, Committee may consider the restoration of the volume of the project as initially sanctioned.

NIRD is, therefore, advised to take further necessary action so that project implementation could be started without any further delay. The terms & conditions stipulated under this Department's sanction order of even number dated 16th April, 2009 stand amended to the extent of PAC's approval detailed above. All other terms & conditions will remain unchanged.

Yours faithfully,


(P.N. Shukla)

Under Secretary Government of India
Telephone no: 23386574

Copy to:-

1. The Pay & Account Officer, Ministry of Rural Development Department, Krishi Bhavan, New Delhi.
2. Secretary Rural Development Department, Government of Chhattisgarh, Raipur.
3. M/s. National centre for Advanced Training, 291, Supreme Enclave, Mayur Vihar Phase-I, Delhi-91.
4. The Director of Audit Economic & Services Ministries, AGCR Building, IP State, New Delhi.
5. B&A/Fin-II/SO (SGSY)/Gourd File.