

**PLG-FC(F)1-30/08/RIDF-HPC(Mtg.)
Government of Himachal Pradesh
Planning Department**

From

**Pr. Secretary(Planning) to the
Government of Himachal Pradesh**

To

1. ACS(Forests) to the GoHP, Shimla-2.
2. Pr. Secretary(PW) to the GoHP, Shimla-2.
3. Pr. Secretary(Horticulture) to the GoHP, Shimla-2
4. Pr. Secretary(IPH) to the GoHP, Shimla-2.
5. Secretary(Agriculture & A.H.) to the GoHP, Shimla-2.
6. Secretary(RDD & PR) to the GoHP, Shimla-2.

Dated: Shimla-2, the *2nd* December, 2010

Subject: Funding of Projects through NABARD.

Sir,

It has been observed that there is a mis-match between the amount of total number of DPRs posed/proposed to be posed to NABARD by the different departments under RIDF and amount sanctioned by NABARD to the State/reimbursement target from NABARD for the State per year. While a number of projects have been posed/are proposed to be posed to NABARD, there is a limit to which NABARD funding could be taken by the State Govt. in a year, especially considering the stringent fiscal deficit targets imposed by the Govt. of India on account of 13th Finance Commission recommendations.

There is an urgent need to look for alternative sources for funding developmental projects in the State. For instance, we need to shift more to AIBP for minor irrigation schemes (where funds are available as 90% grants from Govt. of India); ARWSP for drinking water schemes; PMGSY and CRF for roads; RKVY for projects in the Agriculture/Horticulture and Animal Husbandry Sectors; and to the extent possible under MNREGA for different sectors' projects (under 50% line departments' component). Further, in view of the limits in raising loan through NABARD, priority projects of Hon'ble MLAs should also be progressively posed for funding under these sources instead of posing them solely to NABARD.

It may be further noted that normally the funding under any RIDF tranche is only for a period of 4 years though generally the period has been extended by NABARD for a year. Thus, in any particular year out of the total reimbursement target, the implementing departments need to aim to get reimbursement of the oldest tranche first. For example, for the current year (wherein tranche XVI is applicable), the first target should be to get reimbursement of RIDF-XI tranche (which is in its extended period of operation), thereafter of RIDF-XII tranche to be followed by RIDF-XIII, XIV, etc. New sanctions need to be restricted to the extent that overall reimbursements in a year are within the limits of borrowings allowed from NABARD. You are accordingly requested to prioritize your reimbursement targets in every financial year, right in the beginning of the year, and intimate the same to the Planning Department by 30th of April of that financial year positively.

In view of the above, you are requested to reprioritize the pending DPRs of various developmental projects in your departments, including those falling under priority projects of the Hon'ble MLAs, and pose them for funding under alternative sources of funding instead of restricting such funding only through NABARD.

This may kindly be given personal attention and top priority.

The receipt of this communication may kindly be acknowledged.

Yours faithfully,

My D.C.

**Principal Secretary(Planning) to the
Government of Himachal Pradesh**

Endst. No. As above.

Dated Shimla, the

2nd December, 2010

Copy forwarded for information and necessary action:-

1. Pr. Chief Conservator of Forest, H.P., Shimla-1.
2. Director(Agriculture/Horticulture/Animal Husbandry/Rural Dev. & PR), H.P, Shimla.
3. E-in-C(HPPWD), Nirman Bhawan, Nigam Vihar, H.P., Shimla-2.
4. E-in-C(I&PH), U.S.Club, H.P., Shimla-1.

My D.C.

**Principal Secretary(Planning) to the
Government of Himachal Pradesh**