GUIDELINES FOR THE IMPLEMENTATION OF
PLANNING COMMISSION’S PROJECT PREPARATION FACILITY (PCPPF)

Introduction:

Planning Commission created a facility called “Planning Commission’s Project Preparation Facility” to help State Governments and the Union Territories engage Professional Consultants for preparation of Detailed Project Reports specifically for projects proposed to be funded from external and institutional sources. The facility became operational from the year 2001-02. The assistance is in the form of “grant-in-aid” and the expenditure would be met from Budget provision made in the name of Planning Commission under “Major head-3475, minor head 52 - 50th Year Initiative for Planning”.

Objectives:

The broad objective of the facility is to help States and Union Territories to obtain funds from outside the usual budgetary sources viz - external funding agencies and institutional finance for, as far as possible, financially feasible projects.

Eligibility:

Only those States and Union Territories, which have received less than Rs 500 crore of external assistance during the financial year preceding the one in which the application is made are eligible for assistance under Planning Commission’s Project Preparation Facility.

Administration of the facility:

State Plans (Coordination) Division of the Planning Commission administers the facility. Decisions on proposals submitted are taken by a Review Committee for Planning Commission’s Project Preparation Facility under the Chairmanship of a Member of the Planning Commission, with representatives of the Subject Divisions and State Plans Unit concerned as members. Joint Secretary (State Plan) or his representative is Member-Secretary and the nodal officer for all matters relating to Planning Commission’s Project Preparation Facility.

Amount of Assistance:

Assistance from this facility will cover 100% of the cost of preparation of Detailed Project Report subject to a maximum of Rs 25 lakh per proposal, with provision for release of upto 50% of the estimated cost as an advance and the remaining amount on reimbursement basis.

Procedure for Submission of Proposals:

Proposals for assistance under the facility preferred as in the proforma attached as ANNEXURE - A, may be forwarded by the Planning Department of the State/UT Government concerned. The letter should be sent addressed to the Secretary, Planning Commission (Kind attention: Joint Secretary (State Plans Division)).
**Procedure for release of fund:**

The procedure for release of assistance would be as follows:-

a. Once proposal is approved or agreed in principle by the Review Committee, it would be taken as a commitment to finance the cost of the project preparation.

b. State Governments concerned would select Consultants to prepare Detailed Project Report, through a process of competitive bidding and inform the Planning Commission of the procedure followed and details of the Consultants/Agency/Institution selected. Copy of the draft contract/agreement together with the terms of reference should also be sent to the Planning Commission.

c. Planning Commission would release funds, upto 50% of the estimated cost of preparation of Detailed Project Report or a maximum of Rs 12.5 lakh per proposal whichever is lower, as an advance. As the Budget Provision for PCPPF is in the name of Planning Commission, release of funds would be in the form of Crossed Cheques drawn in favour of the Implementing Agency. Particulars of the Implementing agency against whom cheque would be made should be furnished to the Planning Commission. The balance, if any, would be released on re-imbursement basis on furnishing of Utilisation Certificate as in the Proforma enclosed as ANNEXURE - B.

**Monitoring of preparation of Detailed Project Report:**

The responsibility of monitoring of the preparation of the Detailed Project Report lies with the Planning Department and the administrative department of the State Government concerned. Planning Commission would be kept informed of the progress.

**Refund:**

Unutilised fund, if any, may be refunded in full to the Planning Commission.

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ANNEXURE - A

PLANNING COMMISSION’S PROJECT PREPARATION FACILITY (PCPPF)  
(PROFORMA FOR PROJECTS PROPOSED FOR ASSISTANCE)

1. Name of the project and location.

2. Name of Administrative Department including name of the Secretary, telephone number, fax and E.Mail addresses.

3. Method of execution of the project: (Whether the project is to be executed departmentally or through state PWD/Central Government Departments/ Public Sector Undertakings/Non-governmental organisations /Private Companies on a turn-key basis, etc.)

4. List of consultants proposed to be contacted for preparation of Detailed Project Report.

5. Description of the Proposed Project (attach concept paper of 1-2 pages indicating project objectives, background, project components, project rationale, manpower requirements and expected impact of the project on the sector concerned and the state’s economy as a whole).

6. Schedule of clearances required for the processing of the investment proposal: Plan of action and timetable for various steps.

7. Linkages with ongoing projects

8. Justification and need for seeking PCPPF assistance: suitability and prospects for external or institutional financing.

9. Gist of informal discussions on acceptability and funding prospects of project held with external agencies, financiers, Government of India, Ministries.

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# Form of Utilisation Certificate

**FORM GFR 19-A**  
(See Government of India’s Decision (1) below Rule 150)

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<tr>
<th>Sl. No.</th>
<th>Letter No &amp; Date</th>
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Certified that out of Rs......... (Rupees.............) sanctioned by Planning Commission for............... from PCPPF vide letter No. given in the margin during the year....., a sum of Rs ..... (Rupees…) has been utilized for the purpose for which it was sanctioned and that the balance of Rs ..... remaining unutilised at the end of the year has been surrendered to Government (vide No…date…).

2. Certified that I have satisfied myself that the conditions on which the grant-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

*Kinds of Checks exercised*:
1. Vouchers and Books of Accounts.  
3. Grants-in-aid /Loan Register  
4. Expenditure Register.

Signature.....  
Designation.....  
Date.....  
(Officer responsible for implementation)

Countersigned by  
(Secretary of the Department)

* Give details applicable.  
(GM.,MF.,O.M.No. F.14(1)-E II (A)/73, dated the 23\textsuperscript{rd} April,1975)