

Planning Commission
(Project Appraisal & Management Division)

Subject: **Processing of proposals for issue of 'in-principle approval' for inclusion of new schemes/projects in the Plan and appraisal procedures for the 11th Plan.**

With a view to streamlining the procedure for introduction of new schemes in the Plan, Planning Commission has devised guidelines for the 11th Plan. While processing the proposals for introduction of new schemes/projects/programmes as Centrally Sponsored Scheme or Central Sector Scheme, it is necessary that the subject division examine the proposal received from the Ministry, keeping in view the guidelines on the subject contained in D.O. No. O-14015/8/99-PAMD dated 25-10-1999, U.O. No. N-11016/4/2006-PC dated 29.08.2006 and O.M. No. N-11016/2/2007-PC dated 24.07.07 (copies enclosed) in consultation with other related subject divisions of Planning Commission, including PAMD, before the 'in principle' approval of Member Secretary, Planning Commission is sought for starting a new scheme. In principle approval for power and coal projects is not required. It is reiterated that prima facie need of the new scheme/project is to be justified first. **'In principle' would be necessary for the projects/schemes that are not included in the Eleventh Plan document.** This is necessary to avoid embarrassment at a later stage when the main proposal is appraised and the basic issues, particularly relating to the need and justification for introduction of such a new scheme, financial tie ups, including even the basic classification of the scheme as Centrally Sponsored/Central Sector remain unresolved.

2. With the increase in the financial limits of appraisal forums like SFC/EFC/PIB (Circulated vide OM F.No. 1(3)/PF.II/2001 dated 15.11.2007 of Ministry of Finance), there is need to undertake the exercise of granting **'in-principle'** approval with greater care; as otherwise, it is likely to lead to proliferation of schemes, involving duplication and avoidable expenditure on implementation machinery. The time frame is **four weeks** for in principle approval.

3. Subject divisions are requested to strictly follow the guidelines/laid down procedure and consult other concerned divisions including PAMD before any proposal from the Ministry is processed and put up for 'in-principle approval' of Member Secretary, Planning Commission for introduction of new schemes/projects (Centrally Sponsored/Central Sector) in the Plan. Subject division should endorse a copy of in principle approval to related divisions including PAMD invariably.

4. With a view to cutting down delays in issuance of appraisal notes, appraisal procedure in the Planning Commission has been streamlined and circulated vide UO No. O-14015/1/2006-PAMD dated 21.11.2007. Sectoral Advisers are requested to adhere to the time schedule prescribed for offering their comments.

This issues with the approval of Member Secretary (P.C.).

S/d
(Nagesh Singh)
Adviser (PAMD)

Principal Advisers/Sr. Advisers/Advisers/Head of Divisions, Plg. Commission.

P.C. U.O. No.O-14015/1/2006-PAMD dated 22nd November 2007

Copy to:-

1. PS to Deputy Chairman.
2. PS to Member-Secretary.
3. PAMD Officers.
4. Guard File (PAMD).