

ASIDE GUIDELINES

12th FYP (2012-17)

CONFIDENTIAL

STATES CELL

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Introduction

1.1 Exports have come to be regarded as an engine of economic growth in the wake of liberalization and structural reforms in the economy. The global economic scenario continues to be bleak with India witnessing slowdown in exports with our traditional partners. Under the circumstances, we need to set in motion strategies and policy measures which catalyze growth of exports in several different sectors as well as in newer markets.

1.2 In view of our remarkable achievements in the foreign trade during 2004-09, the Foreign Trade Policy 2009-14 has envisaged two milestones: First, to double India's exports of Goods and Services by 2014 by achieving an annual export growth of 15% with an annual export target of US\$200 billion by March, 2011 and achieving the high export growth path of around 25% per annum in the remaining three years i.e. upto 2014 and Secondly, to double India's share in global trade by 2020.

Several studies were made thereafter in this context namely " Mid-Term Appraisal of performance under ASIDE Scheme", " Strategy for doubling Exports in next three years(2011-12 to 2013-14): Department of Commerce, Government of India", " India's Infrastructure needs by 2014 & 2020: In view of Foreign Trade Targets", Sector Specific Study conducted by Federation of Indian Chambers of Commerce and Industry (FICCI), June 2011 etc. In the light of above studies and then findings, ASIDE guidelines have been accordingly realigned.

1.3 While the responsibility for promotion of exports and creating the necessary specialized infrastructure has largely been undertaken by the respective Ministries / Departments of the Central Government, the role of the State Governments / UT Administrations is critical from the point of view of boosting production of exportable surplus, leveraging available and emerging opportunities in the global market. Herein the State Governments / UT Administrations may provide the infrastructural facilities such as land, power, water, roads connectivity, pollution control measures and a conducive regulatory environment for production of goods and services. It is, therefore, felt that coordinated efforts by the Central Government in cooperation with the State Governments / UT Administrations are necessary for development of infrastructure for export promotion. The proposed infrastructure will cover 1st mile (at the point of production) and last mile (the point of evacuation) sector specific infrastructure requirement which are not reflected either in the State Plan or the other Central Government Agencies.

2. Objective

The objective of the scheme is to involve States / UTs in export effort by providing assistance to the State Governments / UT Administrations for creating appropriate infrastructure for development and growth of exports. Such involvement will be based on the projectised approach and projects are to be prioritized by States / UTs to address the critical link both at the point of production and the point of evacuation in the industrial cluster, largely within the contour of the first mile and the last mile consideration.

3. Scheme

The scheme shall provide an outlay for development of export infrastructure which will be distributed to the States / UTs according to a pre-defined criteria.”

AS A FOOTNOTE

The E xport P romotion I ndustrial P ark (EPIP), E xport P rocessing Z one (EPZ), Critical Infrastructure Balancing (CIB) and E xport Development Fund (EDF) for t he North East and Sikkim (implemented since 2000-2001) schemes have been merged with the new scheme since 2002-03. After the merger of the schemes in respect of EPIP, EPZ, CIB and EDF for NER and Sikkim with the new scheme, the ongoing projects under the schemes is funded by States / UTs from the resources provided under the new scheme.

4. Approved purposes for the scheme

4.1 The activities aimed at development of infrastructure for exports can be funded from the scheme provided such activities have an overwhelming export content and their linkage with exports is fully established.

4.2 The scheme shall be exclusively used for creating infrastructure which does not get reflected either in the State / UT plan nor in the plans of the Central Ministries or its organization(s), yet such infrastructure is critical for growth of exports.

4.2.2 The projects must be covered under the 1st mile (at the point of production) and last mile (the point of evacuation) consideration.

5. Allocation of funds

5.1 The outlay of the scheme will have two components: State Component (80% of the total outlay) and Central Component (20% of the total outlay).

5.2 State Component :

90% of total outlay under State Component of ASIDE i.e. ASIDE (State Component--General) shall be earmarked for allocation to States / UTs on the basis of the approved criteria as indicated in para 6 to be utilized for the approved purposes (para 4).

The balance 10% of State Component of ASIDE i.e. ASIDE (State Component-- Incentive ONER) will be allocated by DoC for incentivizing the better performance of ONER States / UTs (States / UTs other than NER including Sikkim) as per Incentive guidelines (Annexure-IX).

5.3 Central component:

90% of total outlay under Central Component of ASIDE i.e. ASIDE (Central Component--General) shall be earmarked at the central level to cater projects emanating from Central SEZs, other sector specific central agencies like spices Board, Tea Board, Gems and Jewellery Export Promotion Councils, Airports, Ports etc and any other activity considered important by the Central Government from the regional or the national perspective.

The balance 10% of Central Component of ASIDE i.e. ASIDE(Central Component--Incentive NER) will be allocated by DoC for incentivizing the better performance of NER States including Sikkim as per Incentive guidelines (Annexure-IX).

6. Criteria for State-wise allocation

6.1 ASIDE(State Component--General)

The ASIDE (State Component--General) will be allocated to States / UTs in two tranches of 50% each.

The criteria of allocation of ASIDE (State Component- General) funds among States / UTs are the following :

Criteria	Weightage
Percentage E xport s hare of S tate / U T ou t of t otal merchandise export	75%
Population of State / UT (based on Census 2011)	25%
Total	100%

Subject to the following:

- i. Allocation to States / UTs may take into account the size of the State / UT
- ii. A certain minimum allocation must be made to each State/UT which should not be less than the allocation of the preceding year.
- iii. There should be a cap on the maximum funds allocated to any State/UT – a cap of 10% of the total funds available under the Scheme may be imposed.
- iv. In or der t o check an abrupt i ncrease i n a llocation f or t he cu rrent ye ar f or an y State/UT (which would create absorption issues) the allocation for the current year should not exceed 200% of the allocation of the previous year.
- v. The allocations will be based on the data of exports of goods alone and the export of services will not be taken into account.

6.2 A minimum of 10% of the Scheme outlay will be reserved for expenditure in the NER and Sikkim. The funding of Export Development Fund(EDF) for NER and Sikkim i.e. EDF-NER will be made out of this earmarked outlay and the balance amount will be distributed inter-se among the NER States including Sikkim on the basis of the criteria as laid down in para 6.1 above.

6.3 The export performance and growth of exports from the State / UT will be assessed on the basis of the information available from the office of the Director General of Commercial Intelligence & Statistics (DGCIS). The office of the DGCIS will compile the State-wise data of exports from the Shipping Bills submitted by the exporter. The Shipping Bill form provides a column in which the exporter will enter the name of the State/UT from where the export goods have originated. Filling up of this column is mandatory with effect from 15.6.2001 under the FT(D&R) Act. Each State/UT Government would periodically interact with the exporters to guide and motivate them to make proper entries in the Shipping Bills so that State of Origin of the exported goods are entered correctly. The States may set up appropriate mechanisms at the field level in cooperation with the trade and industry associations to disseminate this information amongst exporters.

7. Release of Funds

7.1 The release of the funds to the States / UTs shall be subject to the limit of the entitlement worked out on the basis of the laid down criteria. On receipt of the pre-receipt bill from the Nodal Agency nominated by the State Government / UT Administration, funds will be directly disbursed to it. Format of the bill is given at ANNEXURE – III. The funds will be kept in a separate head in the accounts of the Agencies. The unutilized funds with States / UTs as on date, if any, out of the funds released in the preceding year(s) will be counted while releasing funds for the current year but the submission of Utilization Certificate(UC) will become binding only after lapse of the period prescribed as per GFR provisions in this regard.

7.2 50 % of allocations shall be released in the first quarter of financial year. Balance amount shall be released based on utilization of funds and adherence of the State / UT to guidelines of the scheme. States would be advised to take up projects for utilizing full amount in the beginning of the year. They would also be advised to identify such projects in advance.

8. Approval of Projects and Implementation

8.1 Approval of Projects under ASIDE(State Component--General)

There shall be a State Level Export Promotion Committee (SLEPC) headed by the Chief Secretary of the State and consisting of the Secretaries of concerned Departments at the State level, & a representative of the States cell of the Department of Commerce (DoC) and the Joint Director General of Foreign Trade posted in that State/region and the Development Commissioners of the SEZ / EPZ in the State as per Annexure – IV as Members. SLEPC will scrutinize, prioritise and approve specific projects and oversee the implementation of the Scheme.

***8.1.1** A ‘basket’ of 500-600 projects based on the focused studies of the requirement of the exports / Imports shall form the basic boundary of the Scheme. The state-wise project list is mainly outcome of studies enumerated in the para 1.2. The list shall serve as the benchmark for the type and size of the projects. The project sizes should be such that tangible infrastructural projects are taken up. For this the ASIDE contribution shall be a minimum of Rs 10 Crores for large / Medium States and Rs 5 Crores for Small / North Eastern States including Sikkim. In case the State wishes to take projects outside the list of the basket of the projects, mandatory concurrence of the DoC will have to be obtained to ascertain the relevance of the project for export. In such a case the State would also need to co-finance the project where ASIDE contribution would be limited to 50%.

Each State / UT may earmark upto 10 % of their total outlay under ASIDE (State Component-General) for minor / small projects identified by respective State / UT as critical export infrastructure need. Such minor / small projects (less than the threshold limit of Rs 10 Cr for large/ medium States and Rs 5 Cr for Small / North Eastern States including Sikkim) will not necessarily require concurrence of DOC and SLEPC will be competent to securities and approve such minor / small projects.

8.1.2 Each State / UT shall appoint / designate one of its officers as Export Commissioner who shall be the convener of SLEPC and with whom DoC will interact on the issues pertaining to ASIDE. S/He shall draw up five year and annual export plans based on the basket available for the State / UT in consultation with the trade & industry, the Export Promotion Councils (EPCs) and the DoC. S/He shall also draw up a shelf of 5-10 projects based on the basket available for the State / UT or outside it adhering to para 8.1.1 above for the approval of the SLEPC, which are proposed to be taken up under this scheme. He shall also act as a single point interface with the exporters from the State / UT.

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8.1.3 The SLEPC will approve shelf of projects drawn for 12th FYP and for a year to ensure that the proposals are location specific and the selection of location and inter-se prioritising of projects. For this, SLEPC will draw a list of projects to be focused for developing export infrastructure over next 2-3 years. The list of projects may be drawn in consultation with Export Promotion Councils (EPCs) and other export promotion bodies. On approval of the proposals by the SLEPC, funds shall be disbursed to the implementing agency of the project by the Nodal Agency. State Governments are advised to put in place a system for disbursement of funds by Nodal Agency to Implementing Agency of the project.

8.1.4 As far as possible the States are encouraged to leverage the funds released by the DoC with other schemes and projects of the State Govt. Private Sector could be involved in the infrastructure projects as per the guidelines given at Annexure – V.

8.1.5 Before sanctioning new projects, the SLEPC will allocate funds for the likely expenditure of the ongoing projects. In the first year and second year of 12th FYP, a minimum of 50% of total outlay available to State / UT will go for completing the Ongoing projects of 11th FYP. No further assistance can be provided after the second year of 12th Plan to such ongoing projects of 11th FYP from ASIDE fund thereafter. The SLEPC will ensure that except in exceptional cases no new project has a gestation period of more than 2 years.

8.2 Approval of Projects under ASIDE (State Component—Incentive ONER)

Department of Commerce, New Delhi (DoC) will work out eligible States / UTs as per Incentive guidelines (Annexure IX). As per information received from Department of Commerce, New Delhi (DoC) as to selection of State / UT for incentive, State Level Export Promotion Committee (SLEPC) headed by the Chief Secretary of the State will forward the proposal(s) as per guidelines for incentivizing better performance of States / UTs. Department of Commerce, New Delhi (DoC) will scrutinize and approve the project(s).

8.3 Approval of Projects under ASIDE(Central Component--General)

For outlays under ASIDE(Central Component--General), there shall be an Empowered Committee (EC) in the Department of Commerce, headed by the Commerce Secretary and consisting of representatives from the Planning Commission and the respective ministries to consider and sanction the proposals received as per the procedure prescribed in para 9. If any project has any bearing on the external sector, a representative of the Ministry of External Affairs would be invited for the meeting of the Empowered Committee.

8.4 Approval of Projects under ASIDE(Central Component—Incentive NER including Sikkim)

Department of Commerce, New Delhi (DoC) will work out eligible States / UTs as per Incentive guidelines (Annexure IX). As per information received from Department of Commerce, New Delhi (DoC) as to selection of State / UT for incentive, State Level Export Promotion Committee (SLEPC) headed by the Chief Secretary of the State will forward the proposal(s) as per guidelines for incentivizing better performance of States / UTs. Department of Commerce, New Delhi (DoC) will scrutinize and approve the project(s).

8.5 Department of Commerce, New Delhi (DoC) will work out eligible States / UTs as per Incentive guidelines (Annexure IX). As per information received from Department of Commerce, New Delhi (DoC) as to selection of State / UT for incentive, State Level Export Promotion Committee (SLEPC) headed by the Chief Secretary of the State will forward the proposal(s) as per guidelines for incentivizing better performance of States / UTs. Department of Commerce, New Delhi (DoC) will scrutinize and approve the project(s).

8.6 The Central component would be approved as per the delegation of powers under Financial Rules of Government of India. The ASIDE (State Component--General) would be approved by the State Government as per the Rules of Business of the State Government

8.7 Payments made under the scheme will be subject to audit by the Comptroller & Auditor General of India as also by other means as deemed fit by Government of India. Government of India will cause physical verification and other such enquiries as deemed fit, of the projects sanctioned under the Scheme.

8.8 The Implementing Agency of each project will see that wherever feasible, users of the infrastructure will pay a service charge for the same, which could meet the expenditure on operation and maintenance of the infrastructure so created.

9. Criteria for approval of projects

9.1 Clear and free from all encumbrances is a prerequisite for consideration of projects for assistance under ASIDE.

9.2 The proposals must show a direct linkage with the exports. The proposed investments should also not duplicate the efforts of any existing organization in the same field. The funding for the project should generally be on cost-sharing basis, if the assistance is being provided to a non-government agency. However, the SLEPC / Empowered Committee (EC) may consider full funding of the project on merits.

10. Eligible Agencies

10.1 Under the scheme, funds for the approved projects may be sanctioned to: -

- i. Public Sector undertakings of Central / State Governments**
- ii. Other agencies of Central / State Governments**
- iii. Export Promotion Councils / Commodity Boards**
- iv. Apex Trade bodies recognized under the EXIM policy of Government of India and other apex bodies recognized for this purpose by the Empowered Committee set up under para 8.**
- v. Individual Production/ Service Units dedicated to exports.**

11. Administrative expenses

11.1 All administrative expenses connected with the implementation of the scheme will be met by the concerned State Governments from out of their own budget and no part of the scheme funds shall be used to meet such expenditure.

12. Submission/scrutiny of project proposals

12.1 The project proposal should be exhaustive and precise. All aspects related to projects should be supported by data, surveys and projections for future etc.

12.2 The project proposal should be accompanied by an executive summary, which should contain the following facts:-

- i. Name and complete address of the proposing organization**
- ii. Name and complete address of the implementing organization**
- iii. Status of the implementing agency
(whether government agency, or Trade Body or Individual Exporters etc.)**
- iv. Total cost of the project**
- v. Financing pattern**
- vi. Whether finance from source(s) has been tied up**
- vii. Whether land, if required, is available for the project**
- viii. Project phasing and date of completion**
- ix. Scope of work (Type of facilities required)**
- x. Main benefits accruing from the project**

12.3 The estimated total project works cost to be taken for consideration for assistance under A SIDE Scheme should be vetted (both technical and financial aspects) by the competent authority either of the State Governments/ UT Administration or Local Bodies like municipalities etc or other statutory bodies etc on the basis of prevailing Schedule of Rates (SOR) in the State / UT concerned at that point of time of Competent Authority of Central Public Works Department (CPWD) as per Delhi Schedule of Rates (DSR). The total estimated project works costs should cover upto maximum of 15% of other charges including ETP (Establishment, Tools and Plant) charges, escalation, contingencies, DSR adjustment etc over 'Net Cost' of the project works cost subject to actual expenses.

12.4 The proposal, after technical / financial vetting must be duly recommended by the Principal Secretary / Secretary Industries of the State Government / UT Administration to SLEPC. In case of projects under the Central Component, the Head of the organization has to clearly recommend the project to the Department of Commerce (DoC), New Delhi.

12.5 The assistance covered under ASIDE is only for capital infrastructure.

12.6 Details on each of the parameters indicated above should be included in the detailed project report. The report should also contain, inter alia, detailed cost benefit analysis, details of cost of each components of the project, benefits accruing from the projects in both qualitative and quantitative terms, for growth and exports.

13. Monitoring and Review

13.1 Each State/UT/Agency/Central Agency shall submit a quarterly report in the prescribed format as given at Annexure-VI through the web site of Department of Commerce. This report will be used to review the progress of utilization of the funds released as also the basis for further release of funds by the Ministry. The annual utilization of funds shall be submitted on Form GFR 19-A (Annexure VII) through the web site by using digital signatures"

13.2 The Empowered Committee shall periodically review the progress of the Scheme and will take steps to ensure achievements of the objectives of the Scheme.

13.3 A Nodal Officer/Agency shall be appointed by the Central Government for review/inspection of the project and to see that funds have been spent in a financial year under the scheme. The guidelines for the same are given at Annexure VIII

14. Evaluation

14.1 There may be an Annual appraisal of all ongoing projects at the end of the year by an independent agency.

14.2 There may be a mid-term evaluation of the scheme at the end of three years. It is expected that, after implementation of this scheme, States / UTs will benefit from the cumulative impact of improved infrastructure for exports and the impact of increased exports in their economy on employment and overall prosperity. The evaluation would also be the basis for carrying out mid-term corrections in the scheme, if any.

GUIDELINES FOR COMMON EFFLUENT TREATMENT FACILITIES

- i. Up to 50% cost of the construction of Central Effluent Treatment Plant (CETP) would be given as assistance under *State and Central Component of this Scheme* and remaining 50% would be provided by the State Government / or organization concerned or financial institution**
- ii. The Effluent discharged from the CETP should be as per the State Pollution Board's norms as given by the concerned State Pollution Control Board (SPCB) and should have the consent of the State Pollution Control Board.**
- iii. The technical parameters for construction of the CETPs should be as per the guidelines issued by the State Government and the Ministry of Environment from time to time.**

Guidelines for EXPORT DEVELOPMENT FUND FOR NORTH EASTERN REGION OF INDIA (EDF-NER)

1. FUND

1.1 Contribution to EDF may be provided by the Ministry of Commerce & Industry from any other budgetary and non-budgetary sources as identified by the Government.

1.2 It will be managed by the Agricultural & Processed Food Products Export Development Authority (APEDA) under the instructions of the Department of Commerce.

2. OBJECTIVE

2.1 The objective of the Fund is to assist specific activities for promotion of exports from the North-Eastern Region (NER) of the country including Sikkim. All activities, which have a linkage with the exports from the region and are designed to help exports, shall be eligible for assistance from the fund.

3. SCOPE

3.1 Following activities will be eligible for assistance from the Fund:-

- (i) Setting up of pioneering/pilot projects aimed at exports**
- (ii) Provision of equipment and machinery for the pioneering pilot projects aimed at exports**
- (iii) Creation of Common facilities for facilitating exports**
- (iv) Facility for testing and standardization as well as quality improvement of export products.**
- (v) Funding related to the exchange of trade delegations**
- (vi) Any other activity as notified by the Department of Commerce having a bearing on export promotion in the North-East including preparation of Detail Project Report(DPR) / Feasibility reports for projects, seminars/ workshops/ conferences/ training programmes / exposition aimed to boost export from NER including Sikkim.**

4. ELIGIBLE AGENCIES

4.1 Under the scheme, funds may be given to:-

- (i) Central / State Governments**
- (ii) Public Sector undertakings of Central / State Government**

- (iii) Other agencies of Central / State Governments**
- (iv) Export Promotion Councils/Commodity Boards**
- (v) Apex Trade bodies recognized under the EXIM policy of Government of India and other apex bodies recognized for this purpose by the Empowered Committee set up under Para 6.**
- (vi) Individual Production/Service Units dedicated to exports**

5. CRITERIA FOR SANCTION

5.1 Objectives of EDF Scheme is to promote value added processing industry with market linkages and not limited to promotion of agricultural production. The proposal must show a direct linkage with the exports from the region and should be desired to help exports from the North-Eastern Region.

6. SCRUTINY, SANCTIONS & MONITORING

6.1 There shall be an Empowered Committee [EC(EDF-NER)] which will consider and approve the proposals. The Committee will also monitor the implementation of the sanctioned proposals. The Monitoring mechanism is strengthened by involving other agencies in North Eastern Region like North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC), North East Industrial and Technical Consultancy Organization (NEITCO), North Eastern Development Finance Corporation Ltd. (NEDFI) etc. EC, EDF-NER would specify the monitoring agency for each project at the time of approval itself. The Monitoring agency would submit report in prescribed format. (Annexure-A)

6.2 Export Commissioner (ExC) may check the progress of project implementation and submit periodic report on their status collecting information from local authorities, etc. The ExC will certify the physical and financial progress made for each project based on physical inspection of projects.

6.3 EDF “Progress linked fund release” mechanism funding would be linked to the progress made in project implementation.

6.4 The Empowered Committee of Export Development Fund for North Eastern Region [EC(EDF-NER)] will be chaired by the Additional Secretary (States Cell) in the Department of Commerce and Shall consist of the following members:-

- (i) Additional Secretary and Financial Advisor, Department of Commerce or his representative**
- (ii) Advisor (PA&MD), Planning Commission or his representative**

- (iii) Joint Secretary (NE), Ministry of Home Affairs, Government of India**
- (iv) Joint Secretary, States Cell, Department of Commerce**
- (v) Joint Secretary, Ministry of Development of North East Region (DoNER)**
- (vi) Representative of North East Council (NEC)**
- (vii) Director / Deputy Secretary, States Cell, Department of Commerce, Member Secretary of the Committee.**

Chairman APEDA would be a permanent invitee to meetings of EC, EDF-NER.

The meeting of the Empowered Committee of EDF-NER shall be held quarterly in New Delhi or, as far as practicable, in a State capital in the NE Region.

6.5 The representative of the organizations proposing/sponsoring the proposals may be invited to the meeting of the Empowered Committee.

6.6 The approval for sanction of the funds for approved projects/works will be obtained from the Standing Finance Committee chaired by the Commerce Secretary as per the standard procedure.

6.7 Infra-II Section / North East Cell, Department of Commerce will coordinate the work related to the Committee and liaise with APEDA for release of the sanctioned funds.

6.8 Payments made under the scheme will be subject to audit by the Comptroller & Auditor General of India as also by other means as deemed fit by Government of India.

6.8 Government of India will cause physical verification and other such enquiries as deemed fit, of the projects sanctioned under the scheme.

7. SUBMISSION OF PROJECTS / PROPOSALS

7.1 Four copies of the project proposal will be submitted by the applicant to the Export Commissioner(ExC) of respective State in simplified screening format (Annex-B). It is mandatory that all the proposals be routed through the Export Commissioners of the respective States and only after their recommendations on the proposals to APEDA clearly specifying the need and context for EDF financing, would further action be initiated by APEDA.

7.2 The proposal should be exhaustive. All aspects related to projects should be supported by data, surveys, etc.

7.3 The proposal should invariably be accompanied by an executive summary, which should contain the following facts:-

- (i) Name and complete address of the proposing organization**
- (ii) Name and complete address of the implementing organization**
- (iii) Status of the implementing organization (whether government agency or Trade Body or individual Exporters etc)**
- (iv) Total cost of the project**
- (v) Financing pattern**
- (vi) Whether finance from source(s) other than EDF-NER has been tied up**
- (vii) Whether land, if required, is available for the project**
- (viii) Project phasing and date of completion**
- (ix) Scope of work (Type of facilities required)**
- (x) Main benefits accruing from the project**

7.4 The projects submitted for grant under the scheme should invariably fulfill the following broad parameters:-

- (i) The project to be taken up by the State Government should be long-lasting, sustainable and with assured benefits.**
- (ii) Project should have the involvement of the local entrepreneurs and agencies to the extent possible.**
- (iii) The project report should be prepared by a Financial or Technical consultant and should involve the following:-**
 - (a) The economic viability of the project by giving the IRR of the project**
 - (b) Calculation of the cash flow**
 - (c) Cost implications**
 - (d) Requirement of working capital.**
 - (e) Technology certification, i.e. whether the technology proposed by the Company is State-of-Art**
 - (f) The likely export market and the likely price realization in order to ensure competitiveness in terms of price and quality.**
 - (g) Assured availability of and cost of raw material**
 - (h) Extent of State support through at least free land for the project**
- (iv) Projects should be market driven and should have full details of the market potential and competitiveness of the proposed Indian products in such foreign markets. Focus should be on the markets of adjoining countries.**
- (v) Projects should aim at capacity building of existing entrepreneurs, producers and traders so that they can look at export market.**
- (vi) As far as possible, cluster approach should be adopted.**
- (vii) In case of support to be granted to private sector, it should be back loaded.**
- (viii) Concerned Department of Government of India should be involved and all such ongoing Schemes/Projects should be integrated.**

7.5 Details on each of the parameters indicated above should be included in the detailed project report (DPR). The report should also contain, inter alia, detailed cost benefit analysis, details of cost of each component of the project benefits accruing from the projects in both qualitative and quantitative terms, the present activities of the proposer.

7.6 Only such proposals as are complete in all respect will be considered under the scheme.

7.5 All correspondence on EDF proposals should emanate under the signature of Export Commissioners(ExC) and should be forwarded with their recommendations (Ref: Instructions issued to all the Export Commissioners of State Govts/UTs vide Department of Commerce D.O.No.27/01/2011-Infra-II dated 20.04.2011 and 16.06.2011 respectively (Annex- C& D respectively).

8. TECHNO ECONOMIC FEASIBILITY REPORT, RELEASE OF FUND, PHYSICAL VERIFICATION, QUANTUM OF FUNDING:

For the above issues Standard Operating Procedure (SOP) (Annexure-E) implemented will be followed.

EDF is primarily an entrepreneurial assistance scheme with term loan linkage and 30% is the ceiling limit for viability gap funding under EDF. State Government implemented projects are provided upto 50% assistance as a special case.

APEDA may hire a Chartered Engineer through 2% processing fee retained by APEDA for carrying out Physical Verification of the projects.

9. Fee payable to monitoring agencies and APEDA:

There shall be a limit of 5% of EDF component including amount payable to APEDA as processing fee. Out of 5%, 3% will accrue to concerned monitoring agency as given at para 6.1 of the guidelines. APEDA would release the fund after receipt of the report in approved monitoring format from each of them.

10. MODALITIES OF SANCTION

EDF release will be made to the promoters only through their bank accounts which should be in nationalized banks.

While releasing the APEDA will sought Utilisation Certificates(UCs) duly certified by Export Commissioner(ExC) of the respective State Government.

11. SUBMISSION OF FALSE / FRAUDULENT DOCUMENT / INFORMATION Etc.

In case of submission of fraudulent Bank term loan Certificates etc. by the promoter / entrepreneurs / Society etc they would be blacklisted as well as criminal case against

Bank officials who are found involved in such illegal act of unauthoritatively issuing such loan sanction letter will be initiated. Further dealing with such Bank will be put to a stop. If it is found that the promoter/entrepreneur(s) has given false information in the details of project report submitted, the project will then not be considered for EDF assistance. In case of approval / sanction has already been given and thereafter such instance is detected, the approval / sanction will then be cancelled.

FORMAT FOR MONITORING OF THE PROJECTS

1.1 Project Name	
1.2 Project Location	
1.3 Entrepreneur : Name & Address	
1.4 Contact Details	Tel Fax Mobile Email
2.1 Monitoring Agency Details	
2.2 Date of Monitoring visit	
2.3 Monitoring Officer who visited site	
2.4 Work commencement Date	
2.5 Projected project completion : & Date	
3.1 Total project Cost	Rs lakhs
3.2 EC Approval Date	
3.3 EC Approved Amount	Rs lakhs
3.4 Sources of finance	(i) Term Loan: Rs lakhs
	(ii) Promoter Contribution: Rs lakhs
3.5 Date of release of term loan	
3.6 Term loan released amount	
4.1 Details of physical work in progress	(i) Civil Work: (ii) Plant and machinery (iii) Working Capital (iv) Others (specify)

4.2 Status of actual project implementation vis-a-vis projected implementation	(i) Description	(ii) Projected	(iii) Actual
4.3 Any difficulties faced by the entrepreneur in implementation.			
4.4 Corrective action suggested			
5 Overall evaluation of the Project Implementation			

Signature

Name

Designation

Stamp (seal).....

Revised screening format**1. Project objective & Location****1.1 Project Period: Date of start & Completion of project -****Date of start of marketing products -****1.2 Product / Output Description:****2. Inputs****2.1 Land requirement**

Land area (in acres)	Survey No. / Property Description	Ownership

2.2 Other Inputs

Sl. No.	Item	Description	Local Sourcing	Out of State Sourcing
2.2.1	Raw material (in value Rs. lacs / yr)			
2.2.2	Machinery and Equipment (in value Rs. Lacs)			
2.2.3	Skilled / T echnical manpower requirement (in no. of persons)			

Annexure B

3. Output (Product) & its Marketing

3.1. Output Description

3.2 Target Market

3.3 Proposed export linkage

4. Funding

4.1. Total project cost

4.2 Funding sources

(Amount in Rs. lacs)

S.No.	Financial institution	Amount	Percentage	Remarks
1.	Banking / Financial Institutions			
2.	State Govt. / PSU*			
3.	Central Govt. / PSU*			
4.	Self financing			
	Total			
5.	Proposed funding under EDF			
	Grand Total			

* In case of FIs / PSU please indicate the agency name and address in remarks column.

5. Calculation of Viability gap : (All amounts in Rs. lacs)

5.1 Project cost (As per DPR)

5.1.1 Total cost:

5.1.2 Of 5.1.1 fixed capital cost:

5.1.3 Subsidy sought:

5.1.4 Net loan / Self-financing (Total amount - (5.1.1 – 5.1.3) - Rs. Lacs)

Loan component

Self financed Component _____

Total _____

5.2 Returns expected (Estimates from DPR)

5.2.1 Annual Gross Income

5.2.2 Annual Net Income

5.3 Capitalization (based on return)

5.3.1 Discount rate for viability calculation:

5.3.2 Present Value of capital (based on return) [(5.2.2 /5.3.1) *100]

5.4 Viability Gap

5.4.1 Viability gap (5.1.4 – 5.3.2)

5.4.2 In % terms (5.4.1 / 5.1.1)

An Illustration to calculate Viability Gap :

5.1 Project cost

5.1.1 Total cost Rs. 10 lacs

5.1.2 Of 5.1.1, fixed capital cost Rs. 5 lacs

5.1.3 Subsidy funding Rs. 3 lacs

5.1.4 Net loan / self financing
(5.1.1 – 5.1.3) Rs. 7 lacs

5.2 Returns expected

5.2.1 Annual gross income Rs. 2 lacs

5.2.2 Annual net income Rs. 1 lac

5.3 Capitalization (based on return)

5.3.1 Discount rate for viability 20%

5.3.2 Present value of capital (based on return)

$$[(5.2.2 / 5.3.1) * 100] = \frac{1.00 \times 100}{20} = \text{Rs. 5 lacs}$$

5.4.1 Viability gap (5.1.4 – 5.3.2): Rs.7.00 - Rs.5.00 = Rs. 2 lac

5.4.2 In % terms (5.4.1 / 5.1.1) : Rs. 2 lacs / Rs. 10 lacs = 20%

Standard Operating Procedure

SOP Chart

Sl. No.	Description	Project Funding Source		
		Financial Institution (FI)	Central Govt. / State Govt. subsidy (over & above EDF)	Self-financed
1.	Techno Economic Feasibility	By concerned FI	State Govt. / Agency and APEDA	To be assessed by APEDA in consultation with State Govt.
2.	Release of funds / Subsidy under EDF	As per Schedule of FI	Back-ended with 'No collateral' needed	Back-ended through Export Commissioner, State Govt.
3.	EDF funding Quantum	Maximum 30% from EDF subject to a subsidy ceiling of 70% from all sources and EDF put together.	Maximum 30% * from EDF subject to a subsidy ceiling of 70% from all sources and EDF put together.	Maximum 30% from EDF
4	Physical verification	FI (periodical reports to APEDA) upto repayment of loan by promoters.	State Govt. upto two years after commissioning of project.	APEDA/ DGFT/ DoC upto 2 years after commissioning of project.

***In case, the project is implemented by a Central / State PSU, ceiling for EDF subsidy can be upto 50%.**

GAR 34
{See rule 147, 150 and 159(1)}
GRANT-IN-AID BILL

Bill no. _____
Head of Account _____

Received a sum of Rs. _____ {Rupees _____} being the grant in aid for the period _____ s anctioned by t he Department of C ommerce i n i ts l etter n o. _____ dated _____ (copy enclosed).

Dated: _____

Signature
Designation

Countersigned for Rs. _____
Dated: _____

Signature
Designation of Drawing Officer

For use in Pay and Account Office

Passed for Rs. _____ {Rupees _____}

Payment by _____
Cheque No. _____

Date _____
Pay and Accounts Officer

(LETTER HEAD)
TO WHOM SO IT MAY CONCERN

This i s t o certify (Name of t he N odal A gency) i s n ot i nvolved i n any k ind of c orrupt practices.

Signature
(Head of the Nodal Agency)

Annexure-IV

Sl. No.	Development Commissioner	States/UTs
1.	DC, Cochin	Kerala, Karnataka, Lakshadweep, Mahe
2.	DC, Falta	West Bengal, Orissa, Bihar, Jharkhand, Assam, Tripura, Manipur, Meghalaya, Nagaland, Mizoram, Sikkim
3.	DC, Noida	Delhi, Uttar Pradesh, Uttaranchal, Punjab, Haryana, Himachal Pradesh, Jammu and Kashmir, Rajasthan, Madhya Pradesh, Chhattisgarh, Chandigarh
4.	DC, Vishakhapatnam	Andhra Pradesh, Yanam
5.	DC, Kandla	Gujarat
6.	DC, Chennai	Tamil Nadu, Andaman & Nicobar Islands Pondicherry
7.	DC, SEEPZ	Maharashtra, Goa, Daman & Diu, Dadra & Nagar Haveli

Annexure V

Private Sector participation in projects to be taken up under ASIDE

- a. To leverage funds under ASIDE, these funds could be used for inviting private sector participation in the development, operation and maintenance of infrastructure projects. For this purpose, the State Government can choose IDFC or ILFS as a project development agency or any other agency as notified by Govt of India.**
- b. The selected Agency would work with the Nodal Agency/Implementing Agency of the State government and shall prepare necessary documentation for inviting offers for the private sector participation.**
- c. The funds under ASIDE could also be used for incurring cost towards project development. Since such costs are loaded to the final cost of the project, this amount would be treated as an advance to the project and would be adjusted towards the final payment to be made. In case it is found at the end of the selection process that the project does not require any support, the money spent on project development would be treated as support to the project.**
- d. The projects for private sector participation could be taken by way of front loading of capital grant or to provide annuity payment or any other mode which may be agreed by the State Government. However, commitment under ASIDE should be made keeping in view the likely allocation under the 12th Plan only.**
- e. Project operator could be a private agency or public sector agency or the Departments of Government, but such agency should be selected by a transparent system of competitive bidding.**

- f. Presently 100% support is to be extended to projects from ASIDE and in addition, responsibility for operation and maintenance of the project is also being undertaken by the Government. If organisations are identified to take up the construction, operation and management of projects even with 100% support for capital works, it would mean privatization of operation and maintenance through user charges. Immediately it may be appropriate not to put any limit on support to be given under ASIDE to such projects as percentage of capital cost. However, this may be reviewed after a year after having some experience of such projects in the States.**
- g. To provide incentive to States to take up private sector participation on an urgent basis, it has been decided that such expenditure for these projects (beyond project development expenditure) would be provided as an additional allocation next year. However, this would be limited to a maximum of ten per cent of the total allocation of the State under ASIDE.**
- h. From the year 2003-04, it would be mandatory that States would spend at least 50% of their allocation on implementing such projects. States utilising full allocation on such projects would be given additional allocation subject to a maximum of ten per cent of the allocation of the State.**
-

Annexure-VI

**FORMAT-I
ASIDE**

**Report for the quarter ending on _____
from the Government of _____**

		Amount in Lakhs
1.	Amount balance at the end of last year	
2.	Allocation for the year	
3.	Amount received during the year	
4.	Total amount available	
5.	Amount spent in the year up to the quarter	
6.	Allocation of complimentary funds for the schemes from the State/UT Budget	

FORMAT-II

ASIDE

**Report for the Quarter ending on from the
Govt of _____**

Sl. No.	Name of the Project	Year of Approval	Through Pvt. Sector (Yes/No)	Cost approved for funding (in lakhs) ASIDE S G Pvt. Sector	Amount spent upto last financial year	Amount spent during the present financial year Upto the quarter

Annexure-VII

FORMS
Form GFR 19-A
{See Government of India's Decision (1) below Rule 150}
"Form of Utilisation Certificate"

Sl. No	Letter No. & Date	Amount

Total _____

1. Certified that of Rs. _____ of grants-in-aids sanctioned during the year _____ in favour of _____ under the Ministry/Department's letter no. given in the margin and Rs. _____ on account of unspent balance of the previous year a sum of Rs. _____ has been utilised for the purpose of _____ for which it was sanctioned and that the balance of Rs. _____ remaining unutilised at the end of this year has been surrendered to government (vide no. _____ date _____) will be adjusted towards the grants-in-aid payable during the next year _____.
2. Certified that I have satisfied myself that the conditions on which the grants-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 utilised for the purpose for which it was sanctioned:

(Kinds of checks exercised)

Signature _____
Designation _____
Date _____

Annexure VIII

Sub: Evaluation of the projects sanctioned under ASIDE Scheme

- 1. It has been decided to get the projects under ASIDE visited by field formations of Department of Commerce, with the following objectives:**
 - a. To evaluate progress in the implementation of the project;**
 - b. To assess the impact of the project on exports ;**
 - c. To make recommendation to State Government for effective implementation of scheme (e.g. selection of projects, review mechanism, fund flow mechanism, integration with State Government scheme etc.)**
 - d. To identify issues requiring changes in Policy for its speedier and effective implementation;**
- 2. The nominated officer would visit each of the projects on which funds have been spent under the Scheme during last financial year. Date of the visit would be fixed by him/her in consultation with the Nodal Department of the State Government. The list of such project alongwith other details shall be provided by DoC. The inspection report for each project would be prepared in the format given at Appendix-I**
- 3. After inspection of all projects of the State, consolidated report would be prepared for the State. The Report should contain:-**
 - a. Broad observations on the four points (a) to (d) above and give an overall assessment of the implementation of the Scheme in the State.**
 - b. Utilisation of funds under the Scheme as per Appendix-II.**
 - c. Implementation Report of each project on Appendix-I (as attachments to report)**
- 4. A copy of the same would be sent by e-mail to Department of Commerce, to the State Government and the Nodal Agency of the State. The State Government should place the inspection report before the SL EPC in its next meeting held after the submission of report for taking appropriate decisions and issuing appropriate directions to the concerned agencies, if so required.**
- 5. During the next visit, compliance of the observations so made by the Inspecting Officer in earlier visit should also be assessed.**
- 6. The names of the officers responsible for each of the State are given at Appendix-III.**

Guideline for Incentivizing States / UTs under “Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) Scheme”.

Based on observations of Parliamentary Public Accounts Committee (PAC) on ASIDE Scheme in its 23rd Report (Presented to Lok Sabha on 31.8.10), I am directed to issue following guidelines for incentivizing better performance among States / UTs within existing framework of ASIDE:

1. 10% of ASIDE annual allocation would be set aside for the incentive scheme. Funds out of State component will be for States other than NER (North Eastern Region, i.e., 8 North-Eastern states including Sikkim) and same out of Central component for NER States.
 - 2.1 Out of such 10% pool, projects forwarded by eligible State Govts. / UT Administrations will be sanctioned in DoC.
 - 2.2 Under this Scheme funding will be project specific, rather than block funding (as existing for ASIDE State component at present).
- 3.1 Selection of States will be based on performance in implementation of ASIDE projects.

Successful and timely implementation of ASIDE largely depends on:

- a) Leveraging funds from other sources,
 - b) Healthy pace of expenditure of funds by States / UTs, and
 - c) Timely completion of sanctioned projects to avoid cost over-run etc.
- 3.2 Selection of States on above three parameters will be finalized by DoC.
 - 4.1 Implementation of ASIDE during the past 9 years has also brought into focus following needs:-
 - a) Quality of output needs to be emphasized, and
 - b) A system must be institutionalized wherein such situation must be avoided to recur, wherein State Governments implement in

contradiction to ASIDE guidelines.

Wherever such deviation is noticed, concerned States / UTs would be made ineligible for funding under the proposed Incentive Scheme.

- 4.2 In so far as ensuring quality output is concerned, this will be basically based on report from Joint Secretaries' site-visits to their nodal states and reports on visits by other officials of Govt. of India and concerned State Govt. / UT Admn.**
- 5.1 Projects to be sanctioned must be visible and tangible and must fall within the current guidelines of ASIDE Scheme.**
- 5.2 The basic thrust is to bring up big projects under this incentive scheme, having perceptible visibility and tangible impact on export front, with active participation of concerned State Govt. / UT Admn. on foreign trade related infrastructure development. It may be mentioned here that such projects may take about 2 to 3 years for complete implementation and commissioning.**
- 6. For States / UTs other than NER:**
- 6.1 Normally each project size should be of the order of Rs. 30 cr. app. This can be for more than one project also. Project would be implemented with funding on matching basis (1:1) by DoC and concerned State Govt. / UT Admn. However, for the current fiscal, the floor limit would be minimum Rs. 20 cr.**
- To illustrate for financial year 2011-12, project sizes should be minimum Rs. 30 cr. of this maximum 50% can be given by the Govt. of India –GoI-(DoC) under this incentive scheme.**
- In case of projects, implemented under 'Public Private Participation' (PPP) mode, whenever viability gap funding is sanctioned, the Central (DoC) and State Government contribution would also be on 1:1 basis.**
- 6.2 For the current fiscal each eligible State may be given within a ceiling of Rs. 20 cr. by DoC. That is Government Contribution would be Rs. 40 cr. (with Rs.20 cr. minimum from State Govt. exchequer).**

7. For NER States including Sikkim:

7.1 Normally each project size should be of the order of minimum Rs. 5 cr. app. However, for the current fiscal, the floor limit would be Rs. 2 cr.

7.2 Of the project cost, maximum 80% can be given by DoC under this scheme. Balance 20% would be contributed by concerned State Govt. in NER. That is the funding would be on matching (4:1) basis.

For current fiscal, however, matching contribution would be on matching (9:1) basis. That is concerned NER State Govt. must contribute only 10% of project cost.

Appendix-I

Proforma for evaluation of the project sanctioned under ASIDE Scheme

- 1. Name of the State/UT/Agency**
- 2. Name of the Inspecting Officer**
- 3. Date of Visit**
- 4. Name of the Project**
- 5. Main Components of the project**
- 6. Physical Progress**
 - a. Date of start of project**
 - b. Scheduled period of completion**
 - c. Present Status**
 - d. Months/Year of completion**
- 7. Finance Details :**
 - a. Cost of the project**
 - **Total cost**
 - **Total funds released during the FY**
 - **Fund released upto the FY**
 - **Funds utilized upto the FY**
 - b. State's share**
 - **Total amount**
 - **Funds released so far upto the FY**
 - **Funds utilized upto the FY**
 - c. Share under ASIDE**
 - **Total**
 - **Funds released upto the FY**
 - **Funds released during the FY**
 - **Expenditure upto the FY**
 - **Expenditure during the FY**
 - d. Share of private Sector**
 - **Total**
 - e. Spent upto the FY Share of other agency**
 - **Total**
 - **Spent upto the FY**

8. Comments on physical progress of the project:
(It should cover implementation as per time schedule, inter-Agency/Department coordination in the implementation of the project, the quality of work as per visual inspection and any other observation which may be relevant for the physical progress. Specific suggestions for its implementation may also be given).

9. Impact on Exports (for completed project)

(The assessment should mention direct or indirect benefit which the infrastructure is likely to extend to promotion of exports from the area. Any quantifiable results should be specifically mentioned).

10. Policy Issues

(Any issue which is affecting the implementation or impact of the project because of certain provisions in guidelines should be specifically mentioned).

Appendix-II

Sl. NO.	Name of Project	Amt. Indicated by State Govt. as utilized during the FY	Actual Amt. Released to the project during the FY	Actual Amt. Utilized by the project during the FY

Appendix - III

OFFICERS RESPONSIBLE FOR EACH OF THE STATE

S. No.	Name of Officer	Tele (Off.)	Fax No.	E-mail	States
1.	DC, Cochin SEZ. Kakkanand, Cochin (Kerala)	0484-42545	0484-422530	e-mail@cscz.com	Kerala, Karnataka, Lakshadweep
2.	DC, Falta SEZ. 11, MSO Building 4 th Floor, Nizam Palace, Kolkata	033-2472263	033-2477923	fepz@wb.nic.in	West Bengal, Sikkim
3.	DC, NOIDA SEZ, Dadri Road, NOIDA	95-120-4562315	95-120-4562315	dcnepz@nda.vsnl.net.in	U.P., Uttaranchal Delhi
4.	DC, Vizag SEZ, Administrative Building, DUVVADA Vizag	0891-754577	0891-751259	dc@vepz.com	Andhra Pradesh
5.	DC, Kandla SEZ, Gandhidham, Kutch, Gujarat	02836-53300	02836-52250	kafta@wilnetonline.net	Gujarat
6.	DC, Madras SEZ, G.S.T. Road, Tambaram, Chennai	044-262820	044-2628218	mepz@vsnl.com	T.N., Andaman & Nicobar, Pondicherry
7.	DC, SEEPZ SEZ, Andheri (East) Mumbai	022-8290856	022-8291385	dcseepz@vsnl.com	Maharashtra

8.	Jt. DGFT 4, Esplanade East, Kolkata	033- 2486426	033- 2485892	Jdgft@jdgft.wb.nic.in	Orissa, Bihar, Jharkand
9.	Jt. DGFT, UdyogBhavan, IIIrd Floor, Tilak Marg, Jaipur	0141- 722276	0141- 380601	Jdgft@raj.nic.in	Rajasthan
10.	Jt. DGFT, 3rd Floor, 52-A, Arena Hills (Behind Government of Press) Bhopal	0755- 553303	0755- 553303	Dgftbpl@mp.nic.in	M.P., Chhatisgarh
11.	Jt. DGFT, R.B. Baruah Road, Gauhati,Guwahati	0361- 562583		Dgftnet@asm.nic.in	Assam, Arunachal Pradesh & Nagaland
12.	Jt. DGFT, SCO-288, Sector 35-D, Chandigarh	0172- 602314	0172- 602314	dgft@chd.nic.in	Punjab, Haryana, Chandigarh
13.	Jt. DGFT, Ashirwad Building, 18th June Road, Santa Inoz Panijim, Goa	0832- 224968	0832- 224968		Goa
14.	Jt. DGFT, 24-C/C, Gandhi Nagar, Jammu	0191- 435834	0191- 435834		J & K, H.P.

15.	Jt. DGFT, Morollo Building, Shillong	0361- 223360	0361- 223360	Dgftshil@maghalaya.ren.nic.in	Meghalaya, Mizoram, Tripura & Manipur
16.	Jt. DGFT, 901-902, E- Block 9th Floor, Kuber Bhavan Kothi Char Rashta, Vadodara.	0265- 429368	0265- 428789		Daman & Diu & Dadra & Nagar Haveli

Appendix IV

Sl. No.	Name of the State/ UT
A.	Small States
1	A&N
2	GOA
3	DELHI
4	PONDICHERRY
5	DADRA & N.H
6	CHANDIGARH
7	DAMAN & DIU
8	LAKSHADWEEP
B.	Medium States
9	JHARKHAND
10	H.P
11	UTTARANCHAL
12	PUNJAB
13	HARYANA
14	KERALA
C.	Large States
15	BIHAR
16	WEST BENGAL
17	RAJASTHAN
18	M.P
19	MAHARASHTRA
20	A.P
21	U.P
22	J&K
23	GUJARAT
24	KARNATAKA
25	ORISSA
26	CHATTISGARH
27	TAMIL NADU
D	North Eastern States
28	ARUNACHAL PRADESH
29	ASSAM
30	MANIPUR
31	MEGHALAYA
32	MIZORAM
33	NAGALAND
34	SIKKIM
35	TRIPURA