

Guidelines and Terms & Conditions for financial assistance from NCRPB

(A) SUBMISSION OF REQUEST FOR FINANCIAL ASSISTANCE, PROJECT REPORTS & LOAN SANCTIONING PROCEDURE

In accordance with Section 7(e) and 8 (e) of the NCRPB Act, 1985, NCRPB provides financial assistance to the constituent states and their implementing agencies for infrastructure development projects in the NCR and CMAs. Financial assistance is approved by the NCRPB's Project Sanctioning & Monitoring Group (PSMG)-1.

The projects, however, need to be in line with the Regional Plan of NCR Planning Board and the respective Sub regional Plan/Master Plan prepared by the concerned State Govt. / their departments, as the case may be.

The agency seeking financial assistance need to prepare and submit Detailed Project Reports covering the technical, financial, environmental and social aspects. The environmental and social aspects need to be prepared as per the Environment & Social Management System (ESMS) adopted by NCRPB since April 2010. As per this, the project is categorized with respect to the Environment and Social Aspect based on the duly filled Screening Checklist (format available at weblink <http://ncrpbnic.in/downloadable.php>) to be submitted by borrowing agency.

Alongside the project needs to have the necessary administrative and financial approvals of the State Government. The project should preferably be not under implementation / tendered, as this shall undermine the appraisal work and in such cases, no revision of reports and accordingly implementation becomes tedious both for loan borrowing agency and agency whom work is already awarded.

The Borrowing / Implementing Agency should submit request for loan assistance alongwith three sets of Detailed Project Reports (including one advance copy to NCRPB) and a soft copy to the NCRPB Delhi through the respective NCR Planning & Monitoring Cells of the participating States. The Cells after appraising the project in terms of its conformity with the Regional / Sub-Regional/Functional Plan and Master Plan of the town, techno-eco feasibility of the project in the context of Regional Plan, submit the project report along with their Satisfactory Assessment Note to NCRPB Office.

(B) ELIGIBLE AGENCIES TO BORROW

~ State Government Departments of Urban Development/Housing or any Department/Agency of the State Government implementing physical and social infrastructure projects as envisaged in its Development Plans related to -

- Power,
- Water,
- Sewerage,
- Road Transport (Roads & ROBs, Bus Stands, Transport Nagar etc),
- Drainage,
- SWM or public Health,
- Metro / RRTS.

through concurrence of Finance Department of concerned State Government to get funding through State budget for specific project with Letter of Comfort (LoC)

- ~ Development Authorities / Urban Improvement Trusts
- ~ State Industrial Development Corporations
- ~ State Power Authorities and distribution agencies
- ~ Municipal Corporation/Municipal Councils/ Notified area Committees / Nagar Nigams /Nagar Panchayats/ Nagar Palikas which are implementing the Sub-Regional Plans and the Project Plans in NCR or developing a counter-magnet town/city.
- ~ Metro Rail Corporation / Transport Corporation / departments

BROAD TYPE OF PROJECTS ELIGIBLE FOR FUNDING

1. **Water Supply and Sanitation Sector:-**
 - Water Supply (Source development/ Treatment/ storage and distribution)
 - Drainage and Sewerage Collection & Disposal/Solid Waste Management/Low Cost Sanitation etc.
2. **Transport Sector** - Roads Widening/Strengthening/Tunnels/Bridges/Flyovers, Metro, LRT/ MRT / Rapid Rail and RRTS etc.
3. **Power Sector** - Generation, HT & LT Transmission and Distribution.
4. **Affordable/ EWS Housing.**
5. **Social Infrastructure projects** Hospitals, Educational institutions, Recreation Facility, Abattoir etc.
6. **Other schemes** as the Project Sanctioning and Monitoring Group (PSMG) may find compatible with the objectives of the NCR RP- 2021.

MODE OF SANCTION

- > The DPRs are appraised by the available empanelled appraisal agencies/consultants and NCR Planning Board.
- > The preliminary observations obtained are forwarded to implementing agencies for incorporation/revision of DPRs.
- > Replies submitted by implementing agencies are discussed with Appraisal agency and implantation agency for arriving at mutual agreement on the contents/revisions required in DPRs.
- > On receipt of final appraisal reports from Appraising agency / consultants, the projects are taken up in the Project Sanctioning and Monitoring Group (PSMG) Meeting under the chairmanship of Secretary, Ministry of Urban Development

(C) FINANCIAL TERMS AND CONDITIONS

- (i) **Financing Pattern**
 - > Loan from NCRPB - upto **75%** of the estimated cost of the project.
 - > Grant-in-aid -- upto **15%** of the sanctioned project cost for water supply and sanitation projects, on completion, subject to fulfillment of terms & condition laid down by Board.
 - > State Govt./ Implementing agency -- Remaining share.
- (ii) **Present Rate of interest**

rTypeof Project / Category	Interest rate *
Priority Infrastructure Projects viz. Water Supply, Sewerage, Sanitation, Drainage, SWM and Roads, ROB's & Flyovers, Metro / Rapid Rail / RRTS.	7.00% p.a.
Affordable / EWS Housing	7.00% p.a.
Power Sector (transmission, distribution and generation)	7.50% p.a.
Other Infrastructure Projects	8.50% p.a.

* *Rebate/Incentive of 0.25% by reduction in interest rate for timely payment of loan installments, strictly as per repayment schedule, shall be available.*

- (iii) Repayment of Loan/Interest- The loan alongwith interest shall be repaid by the Borrower annually on or before the anniversary date of the drawal of loan as per repayment schedule. Each instalment of loan shall be treated as separate loan for the purpose of repayment of Principal and payment of Interest.
- > Tenure for repayment of loan - upto 10 years
 - > Moratorium period for payment of principal - upto 2 years
- (Upto 15 year loan tenure with 3 year moratorium for public health and environment related infrastructure projects like water supply, sewerage & sanitation including drainage solid waste management etc.)*
(Upto 20 year loan tenure with 5 year moratorium for Metro / Rapid Rail / RRTS projects.)
- > Moratorium period for payment of interest - Nil
- (iv) Penalty, Pre-Payment Charges, etc.
- > Penal rate of interest - 2.75% over and above the normal rate of interest for the delayed period on overdue amount.
 - > Prepayment Charges - 1% of the principal loan amount outstanding
- (v) Guarantee and Securities:
- > *In case of loan to State Government* - No formal Securities only undertaking from Finance Secretary regarding appropriate provision in annual budget for repaying the loan.
 - > *In case of loan to ULB / Parastatals*- Tripartite Escrow Agreement 'AND' State Govt. guarantee 'OR' Bank guarantee 'OR' Charge on Assets by way of mortgage and hypothecation.

(D) GENERAL TERMS AND CONDITIONS

- (i) In case where land acquisition is involved in project loan will be released after confirmation about possession of land, completing ESMS requirement i.e. Environmental Impact Assessment (EIA), Initial Environment Examination (IEE) and preparation/implementation of Environment Management Plan (EMP), preparation/implementation of Short Resettlement plan as per NCRPB's ESMS and obtaining clearance from the SEIM / MoEF&CC, if necessary.
- (ii) The borrower shall maintain separate accounts of receipts and expenditure in respect of all these schemes and shall furnish to the Board every year till the loan is fully repaid.
- (iii) The borrower shall not invest any part of the loan amount advanced by way of deposits, loans, share capital or otherwise, without the prior permission of the Board.
- (iv) The borrower shall make available for inspection of the board and/or its nominee (s) all its books of accounts and other books and documents as mentioned by it and/or required to be maintained by it under any law, bye-laws or rules of the borrower.
- (v) The funds released for one scheme should not be diverted to other scheme and the borrowing agency must maintain separate books of accounts for each scheme.
- (vi) During the course of execution or on completion of the project whichever is earlier, if the Implementing Agency comes to know that there is likely to be reduction in the sanctioned cost estimates of the various components, it shall be the obligatory on the part of the Implementing Agency to refund immediately the excess amount of loan obtained from the Board calculated on the pro-rata basis in respect of the decreased cost of the project.
- (vii) The Implementing Agency shall submit periodical progress reports on monthly/quarterly basis in the prescribed form alongwith action taken reports on ESMS requirements.
