

No. EDN-HE (6) F(3)-2/2023-24/ EAP
Directorate of Higher Education
Himachal Pradesh
Dated Shimla-171001 the _____

13 DEC 2024

December, 2024

To


The State Project Director,
Samagra Shiksha,
Himachal Pradesh Shimla-1

Subject: -

Guidelines & Procedure for preparing & posing proposals for funding under
Externally Aided Projects(EAPs).

Sir,


Please find enclosed herewith a copy of letter No. PLG (EAP) 1-1/2017-18-Misc.
dated 21st November, 2024 received from the Principal Secretary (Planning and Finance) to the
Government of Himachal Pradesh, Shimla-2 on the subject cited above for implementation of guidelines
& Procedures under Externally Aided Projects(EAPs) at your end please.


Director Hr. Education
Himachal Pradesh

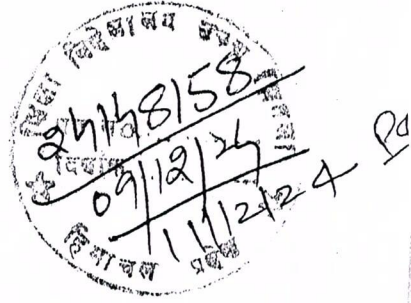
Endst. No. of Even dated Shimla-171001 the _____ December, 2024.

Copy for information and further n/a please:-

1. **The Principal Secretary (Planning & Finance) to the Govt. of H.P, Shimla-2.**
2. The Branch Officer/ Supdt., RUSA, B&A, Scholarship, General, Building, IT, College and B.Voc, DHE, HP.


Director Hr. Education
Himachal Pradesh

No. PLG(EAP)1-1/2017-18-Misc.
Government of Himachal Pradesh
Planning Department



From:

The Principal Secretary (Planning and Finance) to the
Government of Himachal Pradesh, Shimla-171002.

To

1. All Administrative Secretaries
2. All Heads of Department

Director, (Higher Education)
HP Shimla - 10

Dated:

the Shimla,

21st November, 2024

Subject: Guidelines & Procedures for preparing & posing proposals for funding under
Externally Aided Projects (EAPs).

Madam/Sir,

This has reference to this department letters bearing No. PLG(EAP)1-1/2017-18-Misc. dated 9th October, 2018; 7th January, 2019; 29th December, 2021; and, 8th October, 2024 on the subject cited above. The issue of passing on the benefits of fluctuations in exchange rate between the foreign currency in which the funding agencies (both multilateral and bilateral) lend to the Government of India and INR to the Implementing departments/agencies has been under consideration of this department for quite some time. This issue was not only discussed internally and with the Finance Department but was also deliberated upon with the officers and officials of the MoF, Government of India. Written clarifications were also requested from the MoF, Government of India in this regard. The same issue was also discussed at length with the officials of the Aid, Accounts & Audit Division of the MoF, Government of India at various platforms. Eventually, the view on the exchange rate of implications was finalized and recorded during the Tripartite Portfolio Review Meeting (TPRM) held between the Department of Economic Affairs, MoF, Government of India and the World Bank with the participation of the officers from the stakeholder States on 23rd and 24th September, 2024 in Mumbai. The relevant part of the proceedings of the meeting as circulated by the DEA, MoF, GoI is reproduced as under:

“.....These (Exchange Rate Implications) should be calculated at Mid Term Review and then annually thereafter. Reduction in project costs/loan requirements of IPFs (in terms of Loan Currency, viz USD) due to currency (INR) devaluation, should be cancelled in principle. In request for extensions, the original INR amount of the loan should be considered as well as the agreed outcome targets of the project. Request for extensions to use exchange rate savings (i.e. ...)

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loan currency) may not be considered if not based on strong technical merits (PDO indicators, inflation, etc.) and after careful review and consent from DEA and the World Bank. Extension of results-based projects (PforRs, IPF/PBCs) need to be addressed separately....."

While reviewing the progress made in the implementation of Integrated Project for Source Sustainability and Climate Resilient Rain-fed Agriculture in HP, which is being implemented currently by the Forest Department of Himachal Pradesh, the following has been recorded in the minutes of the same TPRM:

"..... It was noted implementation has picked up..... DEA Director reiterated that the project should monitor the INR amount and not the dollar amount (for all projects)....."

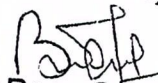
In view of above and also considering that all the detailed project reports (DPRs) and cost estimates of all the components forming part of all the proposals for getting funding from various multilateral and bilateral funding agencies under EAPs are prepared in INR and not in the currency of transactions used by the funding agency and the same are examined and recommended to the DEA, MoF, GoI by the State Level Screening Committee and also the fact that the expenditure, reimbursement claims filed and reimbursements realised are monitored in INR, the following has been decided by the Government in respect of the budgetary provisions to be made for execution of various EAPs (including all ongoing and new projects) by the implementing departments:

1. The Budgetary Provisions for all the ongoing and new Externally Aided Projects will be assessed based on the estimated cost in INR as recommended to the DEA, MoF, GOI by the State level Screening Committee. No request for upward revision of the cost and changes in structure of the project, unless supported with the reasoned and evidence-based justification, will be considered by this department. This implies strict observation of the timelines as approved by the funding agency initially.
2. Any changes in the project structure including the outcomes/components, the cost, the time frame as approved by the State Level Screening Committee will not be taken up with the funding agency by the implementing agency/department without getting prior approval of the State Level Screening Committee and subsequently of the DEA, MoF, GOI.
3. All the implementing departments/agencies of the EAPs will monitor all the progress indicators of all EAPs in INR and not in the foreign currency.
4. Any additional amount on account of devaluation/depreciation of INR vis-à-vis currency of transaction used by the funding agency, if is credited to the State Treasury, by the GOI, will not be passed on to the Implementing Department/agency and shall be retained by the State Government

5. The Implementing departments/ agencies will monitor and assess the projects for any possible savings or reduction in costs against the costs approved by the funding agency on quarterly basis and will immediately inform this department of the same along with the proposal for cancellation of assistance to that extent. The same will be communicated to the DEA, MoF, GOI and then to the funding agency only after approval of the State Level Screening Committee to avoid any incidence of incidental charges on the implementing departments/agencies.

These instructions shall come into force with immediate effect.

Yours faithfully,



(Dr Basu Sood)


Adviser (Planning)

H.P. Shimla-02.

Endst. No. As above Dated: Shimla-02, the 21st November, 2024

Copy for information to:

1. Pr. Secy. Finance to the Government of Himachal Pradesh
2. Joint Secy, Finance- Budget to the Government of Himachal Pradesh
3. Joint Director, Planning Department, Shimla-02.
4. Sr. PS to Chief Secretary, to the Government of Himachal Pradesh



(Dr Basu Sood)

Adviser (Planning)

H. P. Shimla-02