

F. No. 16(05)/PF II/2010
Ministry of Finance
Department of Expenditure
(PF-II Division)

New Delhi, dated the June 16, 2011

OFFICE MEMORANDUM

Subject: Format for Memorandum to invite proposals under the National Clean Energy Fund for consideration of the Inter Ministerial Group Constituted to Approve/Appraise Projects under National Clean Energy Fund.

Reference may please be made the subject mentioned above.

2. In this context, I am directed to enclose herewith duly approved Format for Memorandum to invite proposals under the National Clean Energy Fund (NCEF) for consideration of the Inter Ministerial Group Constituted to Approve/Appraise projects under the NCEF.

Encl: As above

(Neehar Ranjan Pandey)
Deputy Secretary (P.F. II)
Tel: 23093109

Secretaries of all Ministries/Departments;
Financial Advisors (FAs) of all Ministries/Departments;

Copy to:

1. Cabinet Secretariat (Shri Upendra Tripathi, Additional Secretary);
2. Prime Minister's Office (Ms. Vini Mahajan, Joint Secretary);
3. Advisor (PAMD), Planning Commission.

**Memorandum to Invite Proposals under
National Clean Energy Fund for Consideration of the Inter Ministerial Group
Constituted to Approve/Appraise Projects**

1.	General	
1.1	Name of the Project	
1.2	Type of Project (Renewables/Replacing existing technology/infrastructure /Pollution Control/Pilot/Other (pl. specify)	
1.3	Location (State/District/Town)	
1.4	Administrative Ministry/ Department	
1.5	Name of Sponsoring/Collaborating Authority	
1.6	Name of the Implementing Agency	
2.	Project Description	
2.1	Brief description of the project	
2.2	Justification for the project	
2.3	Possible alternatives, if any	
2.4	Estimated Capital costs with break-up under major heads of expenditure. Also indicate the basis of cost estimation. ¹	
2.5	Phasing of investment	
2.6	Project Implementation Schedule (PIS)	
2.7	A status note on assets required (e.g. land/machinery) to initiate the project, along with firm time lines by which necessary infrastructure shall be in place	
2.8	Whether project is covered under any other scheme of GOI/State Government. If yes, why it is not being supported from that scheme?	
3.	Pilot/Demonstration Project	
3.1	Is the project in the nature of a Pilot/Demonstration Project?	
3.2	If so, desired or targeted expansions.	

¹ Cost estimates must not be more than 3 months old, at the time of being considered by IMG.

4.	R&D Projects²	
4.1	Sketch of the project background, with critical evaluation of the existing situation, specifically identifying the gaps which the project is intended to fill. Confirm that the same project proposal has not been submitted, for funding, to any other organization, in India and abroad.	
4.2	A brief note on objectives intended to be accomplished and indicating importance of the project	
4.3	Approach and procedure to be used to accomplish the specific objectives	
4.4	A milestone chart indicating the desired target deliverable.	
5.	Financing Arrangements	
5.1	Sources of financing (equity, debt, mezzanine capital etc.)	
5.2	Indicate the revenue streams of the Project (annual flows over project life). Also indicate the underlying assumptions	
5.3	Who will fix the tariff/ user charges (if applicable)? Please specify in detail	
5.4	Have any FIs been approached? If yes, response may be indicated	
6.	IRR	
6.1	Economic IRR (if computed)	
6.2	Financial IRR, indicating various assumptions (attach separate sheet if necessary)	
7.	Clearances	
7.1	Status of environmental clearances, if required	
7.2	Clearance required from the State Government and other local bodies	
7.3	Other support required from the State Government	
8.	Gol Support	
8.1	Viability Gap Funding/loan from GOI required	
8.2	Basis of quantum of VGF arrived at	
9.	Pollution Control/Energy Savings (If project is not related to renewable energy)	

² R&D Projects should have immediate relevance to the issues/areas of clean energy/energy conservation. Preference shall be given to research projects in applied fields and those related to problem oriented research.

9.1	A note on possible impact of successful implementation of the project on pollution control/climate change/better utilization of clean energy resources	
9.2	Whether a study has been conducted to support the above? If yes, copy may be attached.	
10.	Outcomes	
10.1	Observable parameters arising out of successful implementation of the project along with time lines ³	
11.	Timeframe	
11.1	Duration of the Project	
11.2	Timeframe of the proposed implementation vis-à-vis various milestones.	
12.	IPR Issues	
12.1	Whether any Intellectual Property Right(s) are to be created?	
12.2	If yes, then details thereof. An undertaking must be attached by Project authorities to allow GOI unrestricted legal claim to the IPR created in the project.	
13.	Summary	
13.1	Problem Statement (1-2 paragraphs)	
13.2	Proposed Transformation (1-2 paragraphs)	
13.3	Implementation Readiness (1-2 paragraphs)	
13.4	Rationale for NCEF Financing (1-2 paragraphs)	
13.5	Financing Plan	
13.6	Project Preparation Timetable	
14.	Others	
14.1	Remarks, if any	

³ If timelines are missed, some cut in the VGF could be envisaged.

Time required for various steps under the appraisal procedure for NCEF Projects

S. No.	Action	Time taken
1.	Preliminary examination of the proposal by administrative Ministry/Department and submission of a draft <i>NCEF IMG</i> memo for appraisal	Four weeks from the time of submission of the proposal to the Administrative Ministry
2.	Comments of Planning Commission, PF II, Division, DoE or any other Ministry/ Deptt. on the proposal forwarded by the Administrative Ministry	three weeks from the time of submission of the final documents by the Administrative Ministry
3.	Response by Administrative Ministry/Department on observations received and submission of final <i>NCEF IMG</i> memo to the IMG secretariat	Further two weeks
4.	Consideration and Final approval by IMG	Three weeks from the submission of the final <i>NCEF IMG</i> Memo along with necessary documents by the Administrative Ministry