

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
FINANCE (REVENUE-II) DEPARTMENT
4TH LEVEL, 'A WING' DELHI SECRETARIAT
I.P. ESTATE, NEW DELHI 110002


F.1(48)/Fin/Rev-II/2018-19/Misc./DSV/ 1419

Dated: 30/7/18

CIRCULAR

Please find enclosed herewith OM No. 3/9/2015-BPC&T dated: 17.05.2018 along with its enclosures received from Bilateral Cooperation Division, Department of Economic Affairs, Ministry of Finance, Govt. of India for information and necessary action as applicable:-

S. No.	Letter No. & Date	Received from	Subject
1.	OM No. 3/9/2015-BPC&T dated: 17.05.2018	Bilateral Cooperation Division, Department of Economic Affairs, Ministry of Finance, Govt. of India	Guidelines for posing, implementation and monitoring of externally aided projects-Doing away with the requirement of furnishing Debt Sustainability Certificate by the State Government in Externally Aided Projects (EAPs)-regarding


(MANOJ KUMAR)
DY. SECY-V (FINANCE)

1. All Pr All Pr. Secretaries / Secretaries / Heads of Departments of GNCTD / Autonomous Bodies under Govt. of NCT of Delhi.
2. System Analyst with the request to upload the same on Website of Finance Department (All the HODs are requested to download the same from website of Finance Department **No hardcopy of enclosure will be dispatched to any organisation/department**).

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F.No.3/9/2018-11087
Ministry of Finance
Department of Economic Affairs
(Bilateral Cooperation Division)

North Block, New Delhi
Dated the 17th May, 2018

OFFICE MEMORANDUM


Subject:- Guidelines for posing, implementation and monitoring of externally aided projects - Doing away with the requirement of furnishing Debt Sustainability Certificate by the State Governments in Externally Aided Projects (EAPs) - Regarding.

While reviewing the Fund Flow Mechanism to UTs under the Externally Aided Projects, it is observed that State Governments are bound to limit their annual borrowings to 3% of their GSDP (with some exceptions with prior approval of the Central Government only). When State Government's fiscal deficit is only within the limit permitted by their FRBM law and within limits approved by the Central Government, there is no case of debt going beyond sustainable limits as EAPs are part of the Fiscal Deficit ceiling. If EAP is not taken, the same amount of debt can be taken from other source. EAP debt adds nothing additional to the debt situation of the State.

2. Hence, in partial modification of Department of Economic Affairs' O.M. No.3/3/2004-PMU dated 09.05.2005, it has been decided to do away with the practice of furnishing Debt Sustainability Certificate by the State Governments in Externally Aided Projects.

3. Accordingly, Para 6 of DEA's aforesaid O.M. No.3/3/2004-PMU dated 9th May, 2005 stands deleted and henceforth, the State Governments will not be required to furnish any Debt Sustainability Certificate in Externally Aided Projects.

4. This issues with the approval of Secretary (EA).


(S. SELVAKUMAR)
Joint Secretary to the Government of India
Phone:011-23093881

1. The Secretaries of all Ministries / Departments of Govt. of India
2. All Chief Secretaries/ Administrators and Finance Secretaries of UTs
3. JS (PF-I), Department of Expenditure, New Delhi.
4. Joint Secretaries of MI, Budget and IER Divisions
5. CAAA, DEA.

Handwritten notes and signatures:
J.P.V.
Annu
12.01.2018
E (PF-I)
Y. Rajas
Dr. D.P.
P.L. Anand
31.5
Sh. BMS - Piyush