

F. No. G-35/10/2020-BUDGET NMCG- National Mission for Clean Ganga  
Govt. of India  
Ministry of Jal Shakti  
Department of Water Resources, River Development & Ganga Rejuvenation  
National Mission for Clean Ganga  
Major Dhyan Chand National Stadium,  
New Delhi-110002  
Dated: 19<sup>th</sup> January 2023

To,

**The Project Director of all SMCGs.**

**Subject: Payment of DPR preparation fees and centage/ project supervision fees**

The extant guidelines for Namami Ganga Programme provide that a maximum of 4% each of AA&ES basic capital cost is admissible towards (a) DPR preparation and (b) project supervision. NMCG has issued advisories from time to time detailing the procedure to be followed in respect of payment towards DPR preparation and centage/ project supervision.

2. In this regard, the following guidelines, already communicated through various advisories, are reiterated:

- I. The maximum limit of 4% of basic capital cost indicated in AA&ES is the upper limit of reimbursable cost towards DPR preparation and project supervision. If the awarded cost is lower than the AA&ES cost, the 4% limit will be applicable on the awarded cost.
- II. The actual payment towards DPR preparation and project supervision will be reimbursed after due examination and scrutiny of the claims & supporting documents submitted by Executing Agencies (EA) / Consultants. Only the actual cost incurred towards these activities will be reimbursed, within the maximum cap of 4% of basic capital cost/ awarded capital cost (whichever is lower).
- III. So far as DPR preparation is concerned, the reimbursable amount may include both allocated direct costs and apportioned indirect costs incurred in DPR preparation. If DPR preparation had been outsourced to a consultant, the cost of consultancy may be included only if the consultancy services had been procured in accordance with the applicable provisions of the GFR/ NGRBA Procurement Manual (for EAP projects). Otherwise, cost of consultancy would not be eligible for reimbursement. In-house expenses incurred by the EA for DPR preparation may include duly apportioned salaries of staff working on DPR preparation. Travel & stay expenses for visiting SMCG / NMCG / Project Site, local transportation expenses, stationery & printing expenses etc. directly attributable to DPR preparation may also be included.
- IV. The project supervision cost may also be reimbursed on actual basis subject to a ceiling of 4% of the of basic capital cost/ awarded capital cost (whichever is lower). The reimbursable amount may include both allocated direct costs and apportioned indirect costs incurred for project supervision. If the project



supervision is outsourced to a consultant, the cost of consultancy may be included only if the consultancy services has been procured in accordance with the applicable provisions of the GFR/ NGRBA Procurement Manual (for EAP projects). Otherwise, the cost of consultancy would not be eligible for reimbursement. In-house expenses incurred by EA for project supervision may include duly apportioned salaries of staff working on project supervision. Travel & stay expenses for visiting SMCG / NMCG / Project Site, local transportation expenses, stationery & printing expenses etc. directly attributable to project supervision may also be included. Only those expenses incurred for project supervision after issuance of AA&ES by NMCG would be eligible for reimbursement. If applicable, project supervision cost would be shared between NMCG and SMCG in the same ratio in which the cost of the project is shared between NMCG and State Government.

- V. SMCGs after due scrutiny of documents and calculations submitted by the EA would determine the amount eligible for reimbursement. No prior reference to NMCG or prior approval of NMCG is necessary. However, the SMCGs are required to retain all supporting documents and calculations for making them available to NMCG on demand and for audit scrutiny.
- VI. For World Bank assisted projects, in addition to the above mentioned guidelines, instructions issued vide NMCG OM No.F-24/2013-14/239/NMCG/C&AG dated 29<sup>th</sup> September, 2021, as amended by OM of even number dated 3<sup>rd</sup> December, 2021 will be applicable.
3. A copy each of the following instructions/ advisories issued by NMCG on this subject are attached herewith:

- i) F. No 39/2014-15/159/Circulars Dated 23<sup>rd</sup> September, 2015.
- ii) OM No.F-24/2013-14/239/NMCG/C&AG dated 29<sup>th</sup> September, 2021.
- iii) OM No.F-24/2013-14/239/NMCG/C&AG dated 3<sup>rd</sup> December, 2021.
- iv) Minutes of the Meeting taken by ED (Finance) on 13<sup>th</sup> September, 2021.

4. SMCGs may ensure strict compliance with above guidelines for release of DPR preparation fees and centage/ project supervision fees. Any excess payment made to the EAs may be recovered/ adjusted.

Encl. as above.

  
(Bhaskar Dasgupta)  
Executive Director (Finance)  
Tel. 011-23049442

Copy for information:

1. Executive Director (Projects), NMCG
2. Executive Director (Technical), NMCG
3. Executive Director (Administration), NMCG
4. PS to DG, NMCG

Copy also to Webmaster, NMCG for uploading the circular on NMCG website.





# राष्ट्रीय स्वच्छ गंगा मिशन National Mission for Clean Ganga

F. No: F-39/2014-15/159/Circulars Dated 23 September 2015

To:

The Project Directors of all SPMGs

Dear Sir,

## Reimbursement of DPR Preparation & Project Supervision costs under the NGRBA Framework

The procedure for reimbursements by State Program Management Groups (SPMGs) of the costs incurred by Executing Agencies (EAs) on DPR preparation and project supervision has been explained to SPMGs and EAs in various *fora* and in one-to-one to meetings. Despite this, NMCG continues to receive references from SPMGs and EAs requesting for clarifications in this regard. Hence, the following clarifications are furnished.

2. NGRBA Framework provides for reimbursement to EAs of DPR preparation costs for only those projects which are approved by NMCG. DPR preparation cost would be initially borne by the EA and would be subsequently reimbursed by the SPMG only after Administrative Approval and Expenditure Sanction (AA&ES) for that project would be issued by NMCG. DPR preparation cost would be shared between NMCG and SPMG in the same ratio in which the cost of the project would be shared *i. e.* 70:30 for all ongoing projects under the Non-EAP Component and the World Bank aided EAP Component.
3. DPR preparation cost may be reimbursed at actuals subject to a ceiling of 4% of the project cost. The reimbursable amount may include both allocated direct costs and apportioned indirect costs incurred for DPR preparation. If DPR preparation had been outsourced to a consultant, the cost of consultancy may be included only if the consultancy services had been procured in accordance with the provisions of the Procurement Manual. Otherwise, cost of consultancy would not be eligible for reimbursement. In-house expenses incurred by the EA for DPR preparation may include duly apportioned salaries of staff working on DPR preparation. Travel & stay expenses for visiting SPMG / NMCG / Project Site, local transportation expenses, stationery & printing expenses *etc.* directly attributable to DPR preparation may also be included.
4. The project supervision cost may also be reimbursed at actuals subject to a ceiling of 4% of the project cost. The reimbursable amount may include both allocated direct costs and apportioned indirect costs incurred for project supervision. If the project supervision is outsourced to a consultant, the cost of consultancy may be included only if the consultancy services has been procured in accordance with the provisions of the

एन.एम.सी.जी., (जल संसाधन, नदी विकास एवं गंगा संरक्षण मंत्रालय, भारत सरकार के अन्तर्गत निबंधित सोसायटी)  
रियर विंग, एम.डी.एस.एस., 9-सी.जी.ओ. काम्पलेक्स, लोधी रोड, नई दिल्ली-110003

NMCG, (A Registered Society under Ministry of Water Resources, River Development & Ganga Rejuvenation, Govt. of India)  
Rear Wing, MDSS, 9 - C.G.O. Complex, Lodhi Road, New Delhi-110003  
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Procurement Manual. Otherwise, the cost of consultancy would not be eligible for reimbursement. In-house expenses incurred by EA for project supervision may include duly apportioned salaries of staff working on project supervision. Travel & stay expenses for visiting SPMG / NMCG / Project Site, local transportation expenses, stationery & printing expenses *etc.* directly attributable to project supervision may also be included. Only those expenses incurred for project supervision after issuance of AA&ES by NMCG would be eligible for reimbursement. Project supervision cost would be shared between NMCG and SPMG in the same ratio in which the cost of the project would be shared *i. e.* 70:30 for all ongoing projects under the Non-EAP Component and the World Bank aided EAP Component.

5. EA desiring reimbursement of DPR preparation / project supervision cost should submit its claim for reimbursement to its SPMG along with all supporting invoices / bills / tickets / boarding passes and supporting calculations. SPMG may, after due scrutiny of documents and calculations submitted by EA, determine the amount eligible for reimbursement and authorize the EA to obtain reimbursement of the eligible amount by writing its cheque on the child account of the project. No prior reference to NMCG or prior approval from NMCG would be necessary. The SPMG, however, would retain all supporting documents and calculations on its records and would make them available for verification by NMCG whenever demanded by it. Each SPMG may estimate quarterly demand for reimbursement of DPR preparation / Project supervision cost from its EAs and include NMCG's share of such demand in SPMG's quarterly demand for funds.

6. The instructions contained in this circular may be brought to the notice of all your EAs. Clarifications required, if any, may be sought from the Finance Unit of NMCG.

Yours faithfully,



(Hari Har Mishra)  
Director (Finance)

National Mission for Clean Ganga  
1<sup>st</sup> Floor, Major Dhyan Chand National Stadium,  
New Delhi-110002

Date: 29/9/2021

**OFFICE MEMORANDUM**

**Subject: Audit disallowances under the World Bank assisted National Ganga River Basin Project (NGRBP) IDA Credit No. 4955 - IN and IBRD Loan No. 8065 IN**

Please refer to the discussions we have had on the captioned subject in the virtual meeting held on 13/9/2021. Minutes of this meeting have already been circulated to all the participants.

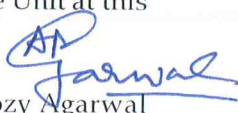
2. The disallowed items of expenditure discussed in the above-referred meeting were subsequently discussed with the World Bank. Arising from these discussions, it has been decided as follows so as to avoid or minimize the amount to be refunded by the Government of India to the World Bank as disallowed expenditure:

(a) In respect of projects where the contribution of the central government is restricted to 70% of the AA&ES Cost, centages claimed, and disallowed by the audit by the Office of the Accountant General of the State (AG) on the ground that supporting calculations have not been furnished, if any, may be wholly charged to the state government's share of the project cost. The Interim Unaudited Financial Reports (IUFs) in which these disallowed centages were included may be recast accordingly and the entire expenditure to be claimed through recast IUFs may be got certified from the Office of AG.

(b) In supersession of all previous instructions, it has been decided that the labor cess paid to the contractors is an allowable expenditure.

3. We trust that the above clarifications will help in eliminating or minimizing the disallowed expenditure. As you are aware, NGRBP is ending on 30/12/2021. Therefore, you are requested to get the recertifications done from respective offices of AG without any further delay and ensure that the revised audit certificates for all related years are furnished to us not later than 15/10/2021 for onward submission to the World Bank.

4. If you need any clarifications, please speak or write to any officer of the Finance Unit at this office.

  
Rozy Agarwal  
Executive Director (Finance)

To:

The Program Director, The State Program Management Group, Uttarakhand / Uttar Pradesh / Jharkhand / Bihar / West Bengal

Copy to: for information:

1. Executive Director (Technical), NMCG.
2. Executive Director (Projects), NMCG.
3. PS to DG, NMCG.

F-24 / 2013 - 14 / 239 / NMCG / C&AG

National Mission for Clean Ganga,  
1<sup>st</sup> Floor, Major Dhyan Chand National Stadium,  
New Delhi - 110 002

Date: 3/12/2021

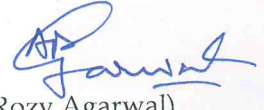
OFFICE MEMORANDUM

**Subject: Audit Disallowances Under the World Bank Assisted National Ganga River Basin  
Project: IDA Credit No. 4955 - IN and IBRD Loan No. 8065 IN**

Please refer to our Office Memorandum (OM) of even number dated 29/9/2021 on the captioned subject.

2. It is hereby clarified that the instructions contained in para 2 (b) of the above-referred OM in regard to labor cess supersede the instructions in regard to labor cess contained in the letter F-24 / 2013 - 14 / 239 / NMCG / CAG Audit (Part - II) dated 12/12/2014 and with effect from commencement of implementation of the National Ganga River Basin Project by the National Mission for Clean Ganga.

3. If you need any clarifications, please write to the Finance Unit at this office.



(Rozy Agarwal)  
Executive Director (Finance)

To:

The Program Director, the State Program Management Group, Uttarakhand / Uttar Pradesh  
/ Jharkhand / Bihar / West Bengal

Copy to: For information:

1. Executive Director (Technical), NMCG
2. Executive Director (Projects), NMCG
3. PS to DG, NMCG



## **Minutes of the Virtual Meeting on Disallowances of IUFRs of SPMGs**

### Present:

#### Representing National Mission for Clean Ganga:

1. Executive Director (Finance), in the Chair
2. Mr. B. C. S. Baliga, Senior Financial Management Specialist
3. Mr. Manan Mudgal, Financial Management Specialist

#### Representing State Program Management Groups:

4. Mr. Pradeep Bhatt, Uttarakhand
5. Ms. Priya Agarwal, Uttar Pradesh
6. Mr. Shraavan Prasad Gupta, Jharkhand
7. Mr. Jaiprakash Agarwal, Bihar
8. Mr. Jena, West Bengal

### Minutes:

The virtual meeting commenced at 3:00 PM on Monday, 13/9/2021, with ED (Finance) in the chair. ED (Finance) apprised the participants of the reasons for convening the meeting. He informed that the Certification Audit Reports of the State Program Management Groups (SPMGs) furnished by the respective offices of the Accountants General (AGs) of the States have disallowed substantial amounts from the Interim Unaudited Financial Returns (IUFRs) submitted by the SPMGs during the last few years. As the National Ganga River Basin Project is coming to end on 30/12/2021, there is urgency in getting these disallowed amounts certified from respective AGs so that Government of India will not be required to refund a substantial amount to World Bank as disallowed amount.

2. ED (Finance) further apprised that this matter was discussed in a recent mission meeting of the World Bank wherein it was informed that the major chunk of the disallowed amount is the centage recovered by Executing Agencies (EAs) for which the required supporting documents / calculations furnished by EAs, if any, were not shown to the audit teams of AGs. There are also a few cases wherein the expenditures have been incurred by EAs / SPMGs but supporting Utilization Certificates (UCs) were not shown to the audit teams of AGs. He informed that all supporting documents in respect of these cases may be submitted to respective AGs without any further delay and get the disallowed amounts certified promptly. He apprised that the World Bank has prescribed the deadline of 15 October for submission of these revised certificates to World Bank to enable World Bank to remove these disallowances. He advised SPMGs to strictly adhere to this deadline. ED (Finance) then invited the representatives of SPMGs to apprise their respective positions.

3. Mr. Pradeep Bhat of SPMG Uttarakhand (SPMGUK) apprised that the cumulative disallowance in respect of SPMGUK is Rs.4.97 crore comprising Rs.3.85 crore disallowed on account of UC not being shown and Rs.0.92 crore in respect of centages. He informed that SPMGUK is in the process of getting these expenses certified and will furnish the revised audit certificates well before the deadline date of 15/10/2021. Ms. Priya Agarwal of SPMG Uttar Pradesh (SPMGUP) apprised that AG has disallowed substantial amount paid towards labour cess. She informed that SPMGUP had received a letter from the National Mission for Clean Ganga (NMCG) that payment of labour cess is not a permissible expenditure. She was advised to share a copy of this letter with the Finance Unit of NMCG.

4. Mr. Jaiprakash Agarwal of SPMG Bihar (SPMGB) apprised that the Government of Bihar bears that entire cost of centage and the SPMGB has not claimed any centage in the IUFRRs. The disallowed amount comprise payments made to contractors of Buxar & Begusarai Projects after the end of the project period without getting the project period extended and the payments made in settlement of hotel bills of NMCG officers visiting Bihar. In respect of hotel bills of NMCG officers, AG requires certificates to be obtained from respective officers that they have not claimed reimbursement of these amounts from NMCG for ensuring that there are no double payments. Mr. Jaiprakash Agarwal was advised to obtain these certificates without any further delay.

5. Mr. Sravan Prasad Gupta of SPMG Jharkhand (SPMGJH) apprised that the audit team has included the institutional development expenses in the project costs of projects funded by World Bank which has resulted in the expenditure of the Sahibganj Project exceeding the AA&ES cost. Mr. Gupta was advised to apprise AG that there is a separate & distinct allocation for institutional development expenditure. He was further advised to arrange a teleconference / videoconference of concerned officers of the office of AG with the officers of the Finance Unit of NMCG, if required. Mr. Jena of SPMG West Bengal apprised that AG has disallowed the salary paid to an Executive Assistant on the ground that there is no provision for such a position in the NGRBA Program Framework. ED (Finance) advised NMCG officers present to examine this matter.

6. Summing up ED (Finance) advised all the participants to get the disallowed amounts certified by the deadline date. He assured that he will be available for consultation whenever required. He also advised the participants to take steps to ensure that the certificate audit for FY2020-21 will be completed and audit certificates furnished latest by 30/9/2021. He informed that he will review the progress on the issues discussed in this meeting in the next meeting tentatively scheduled for Friday, 17/9/2021.

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