

F.No.1(5)/2016-E.II(A)
Government of India
Ministry of Finance
Department of Expenditure

North Block, New Delhi
23rd November, 2016

Office Memorandum

Subject: Committee on Establishment Expenditure (CEE).

In continuation to this Department's O.M. of even number dated 15th September, 2016, a format for submitting proposals for consideration of the Committee on Establishment Expenditure (CEE) has been prescribed and attached herewith.

2. In cases where the proposal is primarily a scheme or project requiring appraisal of EFC/PIB in terms of the O.M. dated 5th August, 2016 and the proposal also involves creation of new body, a combined EFC/CEE or PIB/CEE may be held. In that case besides submitting information in the prescribed format for EFC/SFC/PIB, the information with respect to creation of new body may also be provided in the format prescribed for CEE proposals.

3. The Integrated Finance of the respective Administrative Ministry/ Department shall function as the Secretariat for the CEE / combined CEE/EFC/PIB.

4. This issues with the approval of Finance Secretary.


(Pankaj Hazarika)
Director

To,

- (i) All Ministries/ Departments of Government of India
- (ii) All Financial Advisers to Ministries/ Departments
- (iii) NITI Aayog
- (iv) Internal Circulation

FORMAT FOR SUBMISSION OF PROPOSAL FOR CONSIDERATION OF CEE

Government of India
(Sponsoring Ministry/Department)

MEMORANDUM

PROPOSAL FOR CONSIDERATION OF COMMITTEE ON ESTABLISHMENT EXPENDITURE (CEE)

1. Statement of the proposal

- 1.1. Title of the proposal and a brief description.
- 1.2. What are the objectives of the proposal?
- 1.3. The activities proposed to be taken up by the proposed organization, nature and the proposed duration of the activities.
- 1.4. Whether similar functions are also being undertaken by other organizations, be it in the central government or state governments or the private sector.
- 1.5. The need for creation of the new body and whether the stated policy objectives can be achieved by restructuring an existing body or expanding the scope of an attached/ subordinate office. The alternatives that have been considered before firming up the scope/methodology of the proposal including alternate modes of proposal delivery may be stated.
- 1.6. Whether proposed creation of the new body is part of a scheme or is a stand-alone proposal?
- 1.7. Whether the expenditure is a result of statutory requirement? If so, indicate the requirement.
- 1.8. Whether Feasibility Report and /or Detailed Project Report have been prepared?
- 1.9. Whether in-principle approval is required? If yes, has it been obtained?
- 1.10. Whether the stakeholders and nodal agencies have been consulted in formulating the proposal?

2. Financial Implications

- 2.1. Total expenditure involved along with scheduled duration (both year and activity-wise); recurring and non-recurring to be given separately and its broad details. Also the basis for these cost estimates along with the reference dates for normative costing (it should preferably not be more than a year old) is to be given.
- 2.2. Indicate the sources of project finance: budgetary support, internal and external budgetary sources, external aid, etc.
- 2.3. What will be the recurring expenditure for ten years, including establishment, other running and O&M expenditure, if any?
- 2.4. Whether the organization will generate revenue? The details of year-wise internal revenue generation targets for ten years and the basis thereof?

- 2.5. Whether the organization is envisaged to be self sufficient to meet its financial requirements and the timeframe thereof? If no, the details and reason therefore.
- 2.6. To what extent the recurring expenditure can be borne from internal resources thereby minimizing the budgetary burden on the Government?
- 2.7. The closure date may be indicated beyond which further government support/disbursal of funds will not be required.
- 2.8. Mention the legacy arrangement after the project is complete, in particular, arrangements for the maintenance and upkeep of assets that will be created.
- 2.9. Whether any pre-investment activity was undertaken or is contemplated for this Project? Whether the cost of such intervention has been included in the Project proposal? [*No pre-investment activity related to creation of a New Body or Institution will be approved without the in-principle approval of the Department of Expenditure, unless there is a specific budget announcement to that effect*].
- 2.10. In case land is to be acquired, the details of land cost, including cost of rehabilitation/ resettlement needs to be provided
- 2.11. Whether price escalation during the project time cycle has been included in the cost estimates and at what rates?
- 2.12. Whether the Project involves any foreign exchange element, the provision made or likely impact of exchange rate risks?
- 2.13. Whether the ownership of land and buildings etc. acquired/constructed with government funding may vest with Government or the proposed organization?

3. Project infrastructure

- 3.1. Whether the proposed infrastructure set up is in consonance with the requirement for accommodation of the manpower and physical assets to be created and as per norms. (The norms applied in the projection may be indicated).
- 3.2. It may be confirmed that various components/facilities proposed in the proposal are minimum inescapable.
- 3.3. What alternatives (e.g. purchase/ construction / lease etc) have been considered for meeting the infrastructure requirement, justification for the option chosen and whether the same is most economically viable?
- 3.4. Total expenditure involved in creation of infrastructure, its broad details and year-wise phasing. Also the basis for these cost estimates along with the reference dates for normative costing.
- 3.5. In case the project involves any creation/modification of structural/ engineering assets including land reclamation or changes to existing land use plans then the costs involved in prevention and mitigation of disaster(s) (natural and man-made) would need to be included fully in the project cost. The design and engineering of the structure may take into consideration the extent Building Codes, BIS Codes, the National Disaster Management Authority guidelines, GRIHA guidelines. Other sources such as Indian Road Congress Manual, Ministry of Road Transport Highways and Shipping

Manual, Railway Board manual, Central Public Health Engineering Organization (Ministry of Urban Department) manual, Central Electricity Authority manual and Central Water Commission manual etc. may also be consulted where applicable.

- 3.6. Proposed timelines for completion of the infrastructure.
- 3.7. Indicate the per square feet construction cost of the infrastructure. The reasonableness of the costs may be confirmed duly indicating how the cost compares with similar projects in and around the region.
- 3.8. Manner in which the creation of infrastructure is proposed to be implemented and the agency through which it will be executed.
- 3.9. Indicate the Project Management/ Implementing Agency (s). What agency charges are payable, if any and the basis for selection of the agency? The reasonableness of the charge may be confirmed.

4. Human Resources

Following details may be provided:

- 4.1. Administrative structure for the proposed organisation
- 4.2. Total manpower requirement in different categories (Scientific/Administrative/Technical etc)
- 4.3. Whether posts are proposed to filled in on temporary or permanent basis
- 4.4. Name and Designation of various posts
- 4.5. Pay scale of the posts
- 4.6. Grade/category of the posts
- 4.7. Functional justification (For each of the categories separately).
- 4.8. Financial implications for creation of the posts.
- 4.9. In case outsourcing of services or hiring of consultants or engagement on contractual basis is intended, details including total numbers and mode of selection may be provided.
- 4.10. Yearly estimated expenditure on manpower may be indicated (whether indicated in para 2 above).

5. Approvals and Clearances

- 5.1. Requirement of mandatory approvals/clearances of various local, state and national bodies and their availability may be indicated in a tabular form. In case land is required, it may be clearly mentioned whether the land in the possession of the Ministry/Department is free from encumbrances or from any legal issue?

S.No.	Approvals/ Clearances	Agency concerned	Availability (Y/N)

6. Monitoring and Evaluation

- 6.1. Please indicate timelines of activities along with critical milestones.
- 6.2. Please indicate the monitoring framework, including MIS, and the arrangements for internal/ statutory audit.

6.3. The mechanism to be put in place for external or peer review of the proposed organization including the period for such review.

7. Comments

7.1. Comments of Financial Advisor of the Ministry/Department, NITI Aayog, Department of Expenditure and other Ministries/ Departments may be indicated in tabular form along with how they have been internalized and used to improve this proposal.

8. Supplementary information, if any.

9. Approval Sought:

Date:

(.....)
Joint Secretary to the Govt of India

Note 1: An Executive Summary along with the Feasibility Report/ Detailed Project Report prepared for the project may be attached with the proposal.

Note 2: While submitting the proposal to Department of Expenditure, two extra copies of the Memorandum along with the soft copy thereof may be provided.

Note 3: Instructions contained in the Cabinet Secretary's D.O. letter No.1/50/2/2016-Cab dated 29.3.2016 regarding preparation and circulation of records of discussions/Minutes of the meetings may be adhered to. While submitting the draft minutes of the CEE meeting to Department of Expenditure, soft copy thereof may also be provided.