

EXPORT DEVELOPMENT  
FUND FOR NORTH  
EASTERN REGION OF INDIA  
(EDF-NER)



GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE AND INDUSTRY  
DEPARTMENT OF COMMERCE

# EXPORT DEVELOPMENT FUND FOR THE NORTH EASTERN REGION

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Following the announcements made by the Prime Minister in respect of measures for the development of exports from the North-Eastern region in Shillong on January 21-22, 2000, an Export Development Fund (EDF) has been set up with the objective of using the resources for the development of exports from the region. The features of the Scheme and the Guidelines for consideration of proposals in respect of the Scheme are given below:-

## **1. FUND**

- 1.1 The Fund shall be set up with an initial corpus of Rs. 5 crore.
- 1.2 Further contribution to EDF may be provided by the Ministry of Commerce & Industry from any other budgetary and non-budgetary sources as identified by the Government.
- 1.3 It will be managed by the Agricultural & Processed Food Products Export Development Authority (APEDA) under the instructions of the Department of Commerce.

## **2. OBJECTIVE**

- 2.1 The objective of the Fund is to assist specific activities for promotion of exports from the North-Eastern region of the country including Sikkim. All activities, which have a linkage with the exports from the region and are designed to help exports, shall be eligible for assistance from the fund.

## **3. SCOPE**

- 3.1 Following activities will be eligible for assistance from the Fund:-
  - (i) Setting up of pioneering/pilot projects aimed at exports
  - (ii) Provision of equipment and machinery for the pioneering pilot projects aimed at exports
  - (iii) Creation of Common facilities for facilitating exports
  - (iv) Facility for testing and standardization as well as quality improvement of export products.
  - (v) Funding related to the exchange of trade delegations
  - (vi) Any other activity as notify by the department of Commerce having a bearing on export promotion in the North-East.

#### **4. ELIGIBLE AGENCIES**

4.1 Under the scheme, funds may be given to:-

- (i) Central/State Governments
- (ii) Public Sector undertakings of Central/State Government
- (iii) Other agencies of Central/State Governments
- (iv) Export Promotion Councils/Commodity Boards
- (v) Apex Trade bodies recognized under the EXIM policy of Government of India and other apex bodies recognized for this purpose by the Empowered Committee set up under Para 6.
- (vi) Individual Production/Service Units dedicated to exports

#### **5. CRITERIA FOR SANCTION**

5.1 The proposal must show a direct linkage with the exports from the region and should be desired to help exports from the North-Eastern Region.

#### **6. SCRUTINY & SANCTIONS**

6.1 There shall be an Empowered Committee which will consider and approve the proposals. The Committee will also monitor the implementation of the sanctioned proposals.

6.2 The Empowered Committee will be chaired by the Additional Secretary (States Cell) in the Department of Commerce and Shall consist of the following members:-

- (i) Additional Secretary and Financial Advisor, Department of Commerce or his representative
- (ii) Advisor (PA&MD), Planning Commission or his representative
- (iii) Joint Secretary (NE), Ministry of Home Affairs, Government of India
- (iv) Joint Secretary, State Cell, Department of Commerce
- (v) Representative of North East Council (NEC)
- (vi) Director/Deputy Secretary, States Cell, Department of Commerce, Member Secretary of the Committee.

The meeting of the Empowered Committee shall be held quarterly in New Delhi or, as far as practicable, in a State capital in the NE Region.

6.3 The representative of the organizations proposing/sponsoring the proposals may be invited to the meeting of the Empowered Committee.

6.4 The approval for sanction of the funds for approved projects/works will be obtained from the Standing Finance Committee chaired by the Commerce Secretary as per the standard procedure.

6.5 States Cell, Department of Commerce will coordinate the work related to the Committee and liaise with APEDA for release of the sanctioned funds.

- 6.6 Payments made under the scheme will be subject to audit by the Comptroller & Auditor General of India as also by other means as deemed fit by Government of India
- 6.7 Government of India will cause physical verification and other such enquiries as deemed fit, of the projects sanctioned under the scheme

## **7. SUBMISSION OF PROJECTS/PROPOSALS**

- 7.1 Twelve copies of the project proposal may be submitted to The Director, States Cell, Department of Commerce, Dog Bhawan, Maulana Azad Road, New Delhi – 110011
- 7.2 The proposal should be exhaustive. All aspects related to projects should be supported by data, surveys, etc.
- 7.3 The proposal should invariably be accompanied by an executive summary, which should contain the following facts:-

- (i) Name and complete address of the proposing organization
- (ii) Name and complete address of the implementing organization
- (iii) Status of the implementing organization (whether government agency or Trade Body or individual Exporters etc)
- (iv) Total cost of the project
- (v) Financing pattern
- (vi) Whether finance from source(s) other than EDF-NER has been tied up
- (vii) Whether land, if required, is available for the project
- (viii) Project phasing and date of completion
- (ix) Scope of work (Type of facilities required)
- (x) Main benefits accruing from the project

- 7.4 The projects submitted for grant under the scheme should invariably fulfill the following broad parameters:-

- (i) The project to be taken up by the State Government should be long-lasting, sustainable and with assured benefits.
- (ii) Project should have the involvement of the local entrepreneurs and agencies to the extent possible.
- (iii) The project report should be prepared by a Financial or Technical consultant and should involve the following:-
  - (a) The economic viability of the project by giving the IRR of the project
  - (b) Calculation of the cash flow
  - (c) Cost implications
  - (d) Requirement of working capital.
  - (e) Technology certification, i.e. whether the technology proposed by the Company is State-of-Art
  - (f) The likely export market and the likely price realization in order to ensure competitiveness in terms of price and quality.

- (g) Assured availability of and cost of raw material
  - (h) Extent of State support through at least free land for the project
  - (iv) Projects should be market driven and should have full details of the market potential and competitiveness of the proposed Indian products in such foreign markets. Focus should be on the markets of adjoining countries.
  - (v) Projects should aim at capacity building of existing entrepreneurs, producers and traders so that they can look at export market.
  - (vi) As far as possible, cluster approach should be adopted.
  - (vii) In case of support to be granted to private sector, it should be back loaded.
  - (viii) Concerned Department of Government of India should be involved and all such ongoing Schemes/Projects should be integrated.
- 7.5 Details on each of the parameters indicated above should be included in the detailed project report. The report should also contain, inter alia, detailed cost benefit analysis, details of cost of each components of the project benefit accruing from the projects in both qualitative and quantitative terms, the present activities of the proposer.
- 7.6 Only such proposals as are complete in all respect will be considered under the scheme.

For further details/enquires, please contact:

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Dog Bhawan, New Delhi 110011  
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