

Government of West Bengal
Finance Department
Budget Branch
Nabanna, Howrah-711102

No.321-F.B.

Dated , 15th June, 2016.

MEMORANDUM

The Finance Department has to give Debt Sustainability Certificate for sanction of Externally Aided Projects (EAP) proposed for funding from multilateral agencies like Asian Development Bank (ADB), World Bank, Japan International Cooperation Agency (JICA), etc.

The assistance from these agencies is in the form of loan and not grant with 70:30 funding pattern, the State Government has to bear 30% of the project/scheme cost and take over the entire interest liability. Also the funding is on a back-to-back arrangement and the State Government has to bear the entire liability arising out of exchange rate fluctuations.

It has been observed that some departments are starting negotiation and discussion with multilateral agencies like ADB, World Bank, JICA, etc. for accessing loan for schemes/projects without the approval of the Finance Department. Finance Department is informed at a very late stage when the scheme/project has been finalised and sent to Department of Economic Affairs (MI Division), Government of India or Central Ministry for approval without taking into account the debt sustainability of the State Government.

It is hereby ordered that no Department/Undertaking/Corporation/Statutory Body, etc. of the State Government will engage in any discussion with any loan providing agency including multilateral agencies without prior approval of the Finance Department.

No debt sustainability certificate will be given for multilateral funded projects/schemes which has not been given prior approval of the Finance Department.

This order will come into force with immediate effect.

Sd/- H.K. Dwivedi,
Principal Secretary to the
Government of West Bengal

No. 321/1(80)-F.B.

Howrah, the 15th June, 2016

Copy forwarded for information and necessary action to :

1. The Addl. Chief Secretary / Principal Secretary / Secretary

..... Department.

2. Group / Branch, Finance Department.

- ✓ 3. Shri Sumit Mitra, Network Administrator, Finance Department, for uploading this order in the Finance Department's Website.



(Sudip Kumar Sinha)

Joint Secretary, Finance Department

Government of West Bengal.