

Minutes of the meeting of the National Steering Committee for the North Eastern Region Urban Development Programme held under the Chairmanship of Shri Navin Kumar, Secretary (UD) on 29.11.2010

The third Meeting of the National Steering Committee (NSC) was held on 29th November, 2010 under the Chairmanship of Secretary (Urban Development) at 3:30 PM in the Conference Hall of the Ministry of Urban Development. List of the participants is placed at Annex 'A'.

2. At the outset, Joint Secretary (Urban Development) gave a brief account of the programme, its objectives, components, costs and implementation and financing plans as also monitoring and implementation mechanism at national and state level. JS(UD) informed that the Phase-II of the programme is proposed to cover Assam and that Manipur and Arunachal Pradesh could be financed under some other schemes run by the Ministry. Mizoram could not be represented because of flight problems at Aizawl.

3. Secretary (UD) desired that the work done till date be presented in brief. Director (UD) presented the status of execution of the projects in programme cities. He also presented RE for the year 2010-11 prepared on the basis of actual expenditure incurred by the states till Oct'10 and anticipated expenditure during next four months keeping in view the present status of execution. States' Project Directors confirmed these estimates. RE 2010-11 are placed at Annex 'B'.

4. The head of SIPMIU, Agartala informed that bids for three Lots were floated for its water supply projects and only one bid was received for Lot-1 and one for Lot-2 and 3. However the bids were exorbitantly high, by more than 80% of the estimated cost and the same could not be accepted. ADB has advised Agartala to re-package its bids and re-issue and to hold business opportunity seminar. Director (ADB), DEA suggested that a project support unit has been established by ADB at Guwahati which also has a procurement specialist who could be contacted for support. JS(UD) didn't consider it fruitful mentioning that already DPR and Bid documents were prepared by ADB appointed Consultant, M/s SMEC India. About reforms, PD SIPMIU Agartala informed that the municipal elections were being held in the State. Restructuring of ULBs and ring-fencing into one city circle would be taken up at 2nd level and implementation of NRW, user

charges and financial reforms at 3rd level of reforms. Sub-project Appraisal Report (SAR) has been submitted for water supply sub-projects in Tranche-II and clearance from ADB is awaited. SWM project is proposed to be shifted from Tranche-II to Tr-III and SAR for the same will be submitted in due course.

5. The head of SIPMIU, Shillong informed that physical possession of land for SWM is most likely to be taken during December'10 and the works might be completed within 18 months. Regarding municipal elections, he informed that local councils (Durbars) look after their problems in their respective areas and they consider it as encroachment into their powers. However, consultations are going on with the stake holders and govt. is hopeful of an acceptable solution. Levy of user charges and property tax are other sensitive issues. GIS is being updated and work for service level benchmarking and accounting reforms is going on. SAR for SWM project in Tr-II is likely to be submitted by end Dec'10.

6. The head of SIPMIU, Kohima informed that contract for SWM is likely to be awarded by end Jan'11. Re-bidding has been done for water supply project. JS(UD) expressed his concern over no work done on the WS project sanctioned under JNNURM in 2004. He stressed upon the need to get the water source issue resolved so as to get 135 lpcd water in order to have sewerage project subsequently. It was also explained that the problem of water supply is during lean season of 3 months only and that at least for 9 months 135 lpcd water will be available. However, JS(UD) advised Kohima to move ahead with the available source of water and work for finding a solution so as to get 135 lpcd water. Secretary(UD) approved. SARs for WS and SWM projects in Tr-II have been submitted. Process for recruitment of IDC consultants has been initiated.

7. The head of SIPMIU, Gangtok informed that there has been delay in approval of DPR for its water supply project. JS(UD) informed that MoUD had to ensure that there was no overlap with works sanctioned under other schemes in that area. It was mentioned that while there is adequate availability of water in the core city area, Burtuk and Chandmari areas didn't have enough water which had to be addressed. Process for recruitment of IDC consultants has been initiated and contract is likely to be awarded by April,11. SARs for WS and SWM projects in Tr-II have been

submitted. Secretary(UD) asked them to speed up and to catch up with the lost time.

8. Director (ADB), DEA emphasized upon strict compliance with all the action points mentioned in the DEA's checklist before loan negotiation for Tranche-II is done.

9. JS(UD) impressed upon SIPMIUs not to change scope of the NERUDP as it may adversely affect loan negotiations for future tranches. He also asked SIPMIUs to start implementation of reforms and insisted for a written action plan within three months, i.e. by Feb'11 positively highlighting how and when reforms will take place, e.g. how and when NRW is proposed to be reduced to 15% and that all these measures have to be completed before IDCs complete their tenure. He agreed that it is quite difficult to draw people to pay user charges and unit area linked property tax, but then it has to be done after all and suggested that people will have to be persuaded to accept explaining the benefits and utility of these measures.

10. Concluding the session, Secretary(UD) assured that the Govt. will let NE States move faster if they can and advised the states to at least make a start.

Meeting ended with the vote of thanks to the Chair.

List of Participants for 3rd National Steering Committee meeting held on 29.11.2010.

1. Shri. A.K.Mehta, Joint Secretary (UD), MoUD
2. Ms. Sudha Krishnan, Joint Secretary & Financial Advisor, MoUD
3. Ms E.P. Nivedita, Director (WS), MoUD
4. Shri. Ashutosh Joshi, Director (UD), MoUD
5. Ms Anuradha Thakur, Director, DEA;
6. Shri Rakesh Ranjan, Director, Planning Commission;
7. Shri J.B. Kshirsagar, Chief Planner, TCPO, MoUD
8. Shri. M. Sankaranarayanan, Dy. Adviser, CPHEEO, MoUD
9. Shri J.D. Bhutia, Project Director, SIPMIU, Sikkim
10. Shri. B.Dutta, Project Director, SIPMIU, Meghalaya
11. Shri.R.K. Majumder, Project Director, SIPMIU, Agartala
12. Shri. K.Haralu, Program Director, SIPMIU, Nagaland
13. Shri R. Srinivas, TCP, TCPO, MoUD

Release of Funds/ Budget Estimates 2010-11 & 2011-12

States	Expenditure by States 2010-11 Till Oct'10	Released by MoUD 2010-11 Till Oct'10	Anticipated Expenditure during Nov10-Feb'11	Total estimated 2010-11	BE 2010-11	BE 2011-12
Agartala (Tripura)	1.4	1.2	1.5	2.9	7.3	10.3
Aizawl (Mizoram)	2.3	1.0	7 *	9.3	42.7	52.7
Gangtok (Sikkim)	0.9	NIL	1.5	2.4	4.6	23.0
Kohima (Nagaland)	1.8	1.3	2.0	3.8	6.9	15.2
Shillong (Meghalaya)	1.4	0.8	3.0	4.4	7.3	10.1
Total	7.8	4.3	8.0	22.8	68.8	111.3

* Mizoram confirmed on phone