

North Eastern Region Urban Development Programme (NERUDP)

**Nineth Meeting of National Steering Committee
Delhi, 7th May, 2012
(10:00AM, Nirman Bhawan, New Delhi)**

AGENDA POINTS

It is proposed to review status of activities under the project and issues of concern.

Principal Secretaries (UD) of the states need to attend the NSC as some crucial decisions are required to be taken for proper implementation/execution of the NERUDP.

A. Project status

B. Financial Matters

1. Estimates of Expenditure for 2012-13
2. Reconciliation of Accounts
3. Transfer of funds by State Govt. to SIPMIUs

C. Operational Matters

1. Deployment of full staff in SIPMIUs on full time basis
2. Submission of information in MIS Forms
3. Extension of IDCs Agartala and Shillong
4. Status of Reforms

A. Project Status

The status of execution of Tranche-I projects and of bidding process for Tranche-II projects is at **Annex – I**.

The loan for Tranche-II has been negotiated on 21st Nov'2011 and has been approved by the ADB. The two tranches now cost around ` 669 crore. The loan agreement with ADB has to be signed at the latest by November 2012.

The GoI checklist stipulates that 30% of value of projects be ready for award at the time of signing of the loan agreement. Hence states need to expedite the bidding process. So far out of total of 26 bids, 18 bids have been floated and 8 bids have yet to be floated.

It may be brought to the notice that the entire project tenure is limited to 2015-16 after which any activity(s) remaining incomplete will have to be financed by the State(s) from its own funds.

Following steps are suggested to expedite project execution:

- (i) The PDs may please ensure that all the balance bids are issued by June'2012.**
- (ii) Time taken by SEC for approval of financial bids need be reduced to 1 week after approval from ADB**
- (iii) State Steering Committee to meet bi-monthly for more rigorous monitoring to take corrective measures to make up delays, if any**

The PDs may please update the NSC and elaborate future plans for expediting the pace of activities. PDs may also outline any arrangements proposed for re-adjustment of activities to ensure that work continues during the ensuing rainy season.

B. Financial Matters

1. Estimates of Expenditure for 2012-13

Following is the provision made in the budget for 2012-13:

Rs. Lakh	
States	Target proposed by MoUD for 2012-13
	Works & Equipments
Tripura	792
Mizoram	1251
Nagaland	444
Sikkim	325
Meghalaya	239
Total Works & Equip.	3050
Consultancy & PI&A (all states)	1800
Total	4850

PDs may

- (i) indicate provision made by the State Govt. in the BE 2012-13 for execution of the project.
- (ii) provide tranche-wise and category-wise (works, equipments, DSMC, IDC, PI&A) estimates for 2012-13 with quarterly break-up may also be submitted.
- (iii) institute a rigorous financial monitoring system on a quarterly basis to ensure that actual expenditure doesn't fall short of estimates and communicate revised estimates accordingly by September'12 positively

2. Reconciliation of Accounts

The Financial Expert from PMMC has visited SIPMIUs Gangtok, Aizawl and Kohima to examine project accounts.

- (i) The PDs may please confirm that the deficiencies pointed out by him have been attended to and ensure that standards of book keeping are followed. Services of PMMC could be utilised for guidance and training as and when needed.
- (ii) SIPMIUs must have a qualified accounts officer for proper accounting
- (iii) PDs are reminded that separate accounts have to be maintained for Tranche-II.

3. Transfer of funds by the State Govts. to SIPMIUs

MoUD has been releasing funds on reimbursement basis to the State Govts. through RBI from 2011-12. 10% loan component of Tranche-I cost has also been released to the states.

- (i) Departmental Heads (UD and Finance) may please ensure that these funds are made available to SIPMIUs promptly by treasuries.
- (ii) PDs may please confirm that the funds released are being made available for project administration and execution and making timely payments to contractors.

C. Operational Matters

1. Deployment of full staff in SIPMIUs on full time basis

As per FFA of the loan agreement, the SIPMIUs had to be established with the staff indicated for each SIPMIU under the FFA which is a condition for loan to be effective. Hence, it is important to staff SIPMIUs with qualified experienced personnel.

- (i) Departmental Heads (UD and Finance) may please ensure that full contingent of staff as envisaged in the FFA is provided to SIPMIUs.

(ii) SIPMIUs to have a strong 'second in command' for monitoring and expeditious execution of engineering components in particular

(iii) PDs Gangtok and Aizawl may please apprise the NSC about staffing of their respective SIPMIUs.

2. Submission of information in MIS Forms

Adequate and complete information is not yet available from SIPMIUs. The status of submission of MIS Reports is given below. **Detailed chart is at Annex-II**

Status of Submission of MIS Reports As on 13-4-2012

Sl. No.	Description of Format	Total no of Reports	Shillong		Kohima		Aizawl		Gangtok		Agartala	
			Submitted	Not Submitted/ reqd. updation	Submitted	Not Submitted/ reqd. updation	Submitted	Not Submitted/ reqd. updation	Submitted	Not Submitted/ reqd. updation	Submitted	Not Submitted/ reqd. updation
A	Basic Information & Contact Details	3	3	0	2	1	3	0	0	3	3	0
B	Progress of Project Implementation	5	3	2	2	3	4	1	0	5	0	5
C	Financial Progress of Projects	8	5	3	1	7	5	3	1	7	1	7
D	Institutional Development & Capacity Building	5	5	0	0	5	0	5	0	5	0	5
E	Claim & Reimbursement	4	4	0	0	4	0	4	0	4	0	4
F	Overall Progress Report	3	2	1	1	2	3	0	0	3	0	3
Total		28	22	6	6	22	15	13	1	27	4	24

(i) A review of the MIS/variances is a powerful management tool. There is a provision for an BM/MIS Expert in SIPMIUs and also in DSMCs whose services should be utilised to complete the forms and submit without further delay.

(ii) MIS formats need be updated, progress reviewed and reported to MoUD at regular intervals

3. Extension of Tenure of IDC Agartala and Shillong

All 5 States have appointed IDC consultants now. The IDC consultants of Agartala and Shillong have already completed their tenure of 2 yrs. However both PDs have asked for extension of their tenure on the following grounds :

Agartala : IDC has completed its tenure in Dec'11. PD has asked for extension for nine months i.e. till Sep'12 to complete some of the unfinished activities as given below :

1. Implementation of property tax system w.e.f 1st Apr'2012 including completion of 100% household survey by Apr'12
2. Finalisation of accounting system by Jun'12
3. Completion of manuals by Mar'12
4. Completion of other deliverables like training, handholding, etc. by Jun'12
5. Submission of final report by Sep'12

PD has stated that this extension will be within the total contracted amount but with an increase of Rs 9 lakh on out-of-pocket expenses due to rising cost which will be adjusted against contingencies available within contract.

Shillong : IDC has completed its tenure of 24 months in Mar'12. PD has asked for extension for six months i.e. till Sep'12 to complete some of the unfinished activities as given below :

1. Implementation of property tax system including completion of household survey and GIS based data
2. Finalisation of accounting system
3. City Utility Structure developed by IDC is under consideration of State and further inputs would be required
4. E-governance in SMB

For the extended period of six months, PD has asked for a total of 5.14 crore which is within the contracted amount of 5.48 crore.

- (i) Rs 78 lakhs more for remuneration which includes increase of 11% on the basis of increase in CPI (still less than contracted amount)
- (ii) Increased out-of-pocket expenses by 20 lakhs from the contracted amount of 35 lakh

The contract provides for an increment of 2.5% in remuneration after first 12 months and that if the contract is to be extended beyond 24 months the increment of 2.5% will be open for discussion.

PDs may please justify their proposal for extension of IDCs before the NSC for appropriate decision.

4. Status of Reforms

Status is given below :

State	City	Devolution of functions to ULBs	Double entry accounting system	GIS based property tax	User charges
Tripura	Agartala	-Plan for devolution of water supply function prepared. Awaiting Govt order. -Other functions - SWM and property tax already with ULB	Operational. Accounts for 2010-11 have been prepared	-Survey commenced -Web-site for property tax prepared. -Proposal for unit area based system under discussion with the Govt.	On completion of improved services
Mizoram	Aizawl	-SWM function and building approvals have been devolved. -Devolution of function relating to property tax is under preparation -Water supply function continues to be with PHE	Training of ULB staff on DEAS started	Survey commenced. GIS maps being procured.	
Sikkim	Gangtok	-SWM function devolved. -Others to be initiated in Tranche-II with the assistance of IDC	To be initiated in Tranche-II Institutional Development Consultants have been recently appointed to assist SIPMIU		
Nagaland	Kohima	-Elections for ULB yet to be held. Women reservation is an issue. -Water supply continues to be with PHE -SWM function already with ULB	To be initiated in Tranche-II Institutional Development Consultants have been recently appointed to assist SIPMIU		
Meghalaya	Shillong	-Elections, extension of SMB area to GSPA and devolution are not being supported by local people -Decision to be taken by State Govt.	Operational. Accounts for 2010-11 have been prepared	Survey commenced. Unit area based scheme under preparation	

- (i) The IDCs Agartala and Shillong have developed various manuals and softwares for accounting, property tax etc..
- (ii) The PDs of Aizawl, Gangtok and Kohima may examine feasibility of adopting these modules/softwares. This will not only result in standardization but will also speed up work and provide more time to the new IDCs for implementation and hand holding.
- (iii) PDs may ensure that all the activities as per ToRs of IDCs are completed within the contracted tenure of 24 months.

Projects and their Status

(a) Tranche-I

State	City	Sector	Project Component	Current status
Tripura	Agartala	WS	Rehabilitation of 22 tube wells	-Construction of 6 tube wells awarded and completed. -Roof cast in 3 pump houses, work in progress. -Award for remaining works under review by ADB.
Mizoram	Aizawl	WS	Replacement of 7 reservoirs, Chlorinators for 2 major reservoirs Procurement and installation of 15000 domestic water meters	-Works completed.
Sikkim	Gangtok	WS	Supplying and Laying distribution system in Burtuk and Chandmari, construction of pump house, installing pump sets and allied works	-Site clearing completed. -Excavation of reservoir in progress -Distribution network in planning stage. -Construction of pump house in hand.
Nagaland	Kohima	WS	Replacement of 19 water tanks Repair of WTP	-Work on 5 tanks initiated. -Repair of WTP to be taken up. -Issues of release of tanks by PHED to be sorted -Issues with contractor to be sorted
Nagaland	Kohima	SWM	Land-fill site including composting plant	-Site levelling widening/cutting of road in progress. -Staff quarters completed -Issues with contractor to be sorted
Meghalaya	Shillong	SWM	Constructing and equipping existing short-term sanitary landfill site	-Tree cutting completed site clearing in progress. -Approach road partially completed.

(b) Tranche-II

State	City	Sector	Project Component	Current status
Tripura	Agartala	WS	(i) Installation of 61 bulk meters (ii) Procurement of DI pipes (iii) Distribution system for South Zone (iv) Construction of 14 overhead tanks (OHT) (v) Construction of 7 ground water treatment plants (GWTP), (vi) Rehabilitation of old steel tanks (vii) Rising mains 59 km	Project is under bidding. (i) & (ii): Financial evaluation awaiting approval of SEC (iii),(iv) & (v) : Date of submission extended to 09.05.12 on request of bidders. Soil testing in hand (vi) & (vii) : 2 bids are yet to be floated.
Mizoram	Aizawl	WS	(i) Construction of 3 ground level tanks (ii) Procurement and installation of 2 booster pumps (iii) Procurement of bulk and domestic water meters (iv) Feeder mains (v) Procurement and installation of dedicated power supply system	Project is under bidding. (i) & (ii) Financial evaluation awaiting approval of SEC (iii) Technical evaluation completed. To be sent to ADB (iv) Bids finalised and being sent to ADB for comments (v) Consultation with power department going on for finalisation of bids
Mizoram	Aizawl	Sewerage	(i) Construction of STP (ii) STP site development (iii) Cesspool cleaner (iv) Sewerage network (v) Construction of 10 community toilet blocks	Project is under bidding. (i) Bids issued (ii) Bids to be floated after sewerage network (iii) Financial evaluation awaiting approval of SEC (iv) Date extended to 20.04.12 on request of bidders (v) Technical evaluation completed. To be sent to ADB
Sikkim	Gangtok	WS	De-bunching of distribution pipe line	Bid re-advertised due to poor response. To be opened on 30.04.12
Sikkim	Gangtok	SWM	(i) Construction of land-fill site & leachate treatment plant (ii) Procurement of primary collection vehicles (iii) Procurement of secondary collection vehicles	Project is under bidding. (i) Bid re-advertised due to poor response. To be opened on 30.04.12 (ii) Bid released. To be opened on 30.04.12 (iii) Bid yet to be released
Nagaland	Kohima	WS	(i) Improvement of water supply system (ii) Procurement and installation of 21 bulk water meters.	Project is under bidding. (i) Bids to be opened on 23.04.12 (ii) Bids to be issued in Dec' 12 after some progress of works
Meghalaya	Shillong	SWM	(i) Construction of garage-cum-workshop shed & staff rest rooms (ii) Procurement of collection vehicles (iii) Procurement of bins	Project is under bidding. (i) & (ii) Financial evaluation in hand (iii) To be re-bid due to poor response. Bid modified with some relaxation.