

**NORTH EASTERN REGION CAPITAL CITIES
DEVELOPMENT INVESTMENT PROGRAMME
(LOAN NO 2528-IND & 2834-IND)**

**PROJECT IMPLEMENTATION STATUS
FOR
SHILLONG-MEGHALAYA
(7th May 2012)**

TRANCHE I STATUS

A. CONSTRUCTING AND EQUIPPING A SANITARY LANDFILL SITE

- DEVELOPMENT OF A SHORT TERM LANDFILL OVER AN AREA OF 6500 SQ M HAS BEEN APPROVED UNDER TRANCHE I.
- THE ESTIMATED AMOUNT IS RS 30.73 MILLION.
- CONTRACT AWARD OF WORK COMPLETED IN DEC 2011
- CUTTING OF TREES AT PROJECT SITE COMPLETED IN MARCH 2012.
- WORK UNDER PROGRESS AND 30% EXCAVATION WORK FOR RETAINING WALL FOUNDATION (PART-1) AND LANDFILL CELL COMPLETED.

TRANCHE I STATUS

B. CONSULTANCY SERVICES

- Mott Macdonald appointed as DSMC w.e.f. Dec 2009 with term upto 2015. Presently involved in supervision of T-1 work and finalisation of DPR for T-3. T-2 DPR completed by the firm.
- Pricewaterhouse Coopers appointed as IDC w.e.f. April 2010 with term upto April 2012. The progress of works for the IDC is reflected in the reforms status.
- SIEC has recommended for extension of the term of IDC by 6 months. ADB has conveyed its no-objection to the extension.

TRANCHE I STATUS

- Although substantial progress has been made on the accounting module, self-assessment system of property tax, e-governance, and IT Application in SMB, additional time input is required for completion of the GIS based property tax survey particularly for the conversion to self assessment.
- Additional input is also required for handholding and capacity building for accounting module. On the city utility, as instructed by the State Level Reforms Committee, the consultants has prepared an institutional structure of the city utility for service delivery and the same is under consideration of the State Govt., hence further expert inputs will be required from the consultants.
- Further, in view of public opinion on municipalisation and urban governance, the State Government felt that efforts should be made on restructuring Shillong Municipal Board, capacity building of SMB staff and additional e-governance initiatives in SMB. In this module additional time input is required for preparation of human resource manual and financial plan of SMB.
- The expenditure under the IDC contract till March 2012 is INR 23.34 million and the projected expenditure for the proposed extended phase is INR 28.28 million including INR 9.76 million for Remuneration and OPE. Considering the extended phase, the projected expenditure will be INR 51.62 million which is well within the overall contract amount of INR 54.77 million.

TRANCHE 2 PROJECT ACTIVITIES

- ON THE RECOMMENDATION OF MOUD, THE TRANCHE 2 PROJECT FOR SHILLONG HAS BEEN CURTAILED TO COVER ONLY THE SHILLONG MUNICIPAL BOARD AREAS AND INCLUDES:-
 - i. HOUSE TO HOUSE COLLECTION.
 - ii. IMPROVEMENT OF PRIMARY AND SECONDARY COLLECTION AND TRANSPORTATION INCLUDING GARAGE.
- THE APPROVED PROJECT COST FOR SMB IS Rs.367.76 LACS.
- THE APPROVED BASE COST IS Rs.357.05 LACS (3 PACKAGES WHICH ARE NOT RELATED TO ENVIRONMENTAL CLEARANCE ISSUES)
- EVALUATION COMPLETED FOR 2 PACKAGES AND 1 PACKAGE REBIDDED WITH 7TH JUNE 2012 AS DATE OF CLOSING.
- TIMELINES TO START CIVIL WORK(1 PACKAGE) & PROCUREMENT (1 PACKAGE) IS JULY 2012. FOR REBIDDED PACKAGE IS OCT 2012.

TRANCHE 2 PROJECT ACTIVITIES

Summary of Cost for Tranche 2 sub projects for Shillong as per approved DPR			
	Details	Amount in INR	Amount in INR
1	Civil works, Package- I : construction of Garage cum Workshop Shed & Staff Rest Room at the old landfill site at Marten	1,20,50,000.00	
2	Goods, Package - II : Procurement of primary and secondary collection vehicles(16 Nos.) and workshop machineries		1,43,50,000.00
3	Goods, Package - III : Procurement of different types of bins, personal protective equipment and polythene bags		93,05,000.00
4	Total Base Cost	1,20,50,000.00	2,36,55,000.00
5	Contingencies @ 3% for civil works	3,61,500.00	7,09,650.00
6	Total Cost	1,24,11,500.00	2,43,64,500.00
	Total Base Cost for Civil Works & Goods	3,57,05,000.00	
	Total Cost for Civil Works & Goods	3,67,76,000.00	

TRANCHE 3 PROPOSED PROJECT

- SWM for areas outside SMB
- Development of a long term landfill site with 150TPD compost plant/waste to energy plant
- Laying of sewerage system with 20MLD STP
- Construction of community toilet blocks

ACTION INITIATED FOR TRANCHE 3 PROJECT

- WASTE CHARACTERISATION AND QUANTIFICATION COMPLETED AND FINAL REPORT SUBMITTED BY NEHU.
- BASELINE FIELD SURVEY COMPLETED. FINAL REPORT IS AWAITED.
- COMMUNITY AWARENESS AND CONSULTATIONS ARE ONGOING.
- SURVEY FOR IDENTIFICATION OF FEMALE HEADED HH'S COMPLETED.
- TOPOGRAPHICAL SURVEY AS PER ORIGINAL TOR COMPLETED.
- EIA CONSULTANTS DEPLOYED, PREPARATION OF EIA FOR ENVIRONMENTAL CLEARANCE BASED ON FINAL TOR FOR EIA FROM MOEF RECEIVED ON 19 SEPT 2011. EIA REPORT PREPARED . PUBLIC HEARING DURING MAY 2012.

STATUS OF IMPLEMENTATION OF REFORM AGENDA UNDER NERCCDIP SHILLONG

A. INSTITUTIONAL

- **On devolution of functions:**
 - Road map for devolution of functions and proper human resource management plan for the ULBs has been prepared for the proposed urban governance structure. This however involves expansion of the municipality, which has not found favour with TIs. Meantime work on capacity building, restructuring, resource programme etc are ongoing in Shillong Municipal Board.
- **On the need for an urban governance set up for the Greater Shillong area:**
 - Three models have been prepared and discussed with stakeholders. However, the SLRC has decided that the State Govt will examine in greater details the options available, before a final decision is taken on the matter. A public debate / conclave is proposed to be held in the month of May, 2012 as required under the programme.

A. INSTITUTIONAL

- **On restructuring plan of SMB:**

- Restructuring plan of SMB has been submitted to government. (Organization structure review, detailed analysis of the employee profile, revised organization structure, redeployment of staffs, new recruitment , recruitment rules etc). The human resource manual for SMB is under preparation.

- **On launching of grievance redressal system of SMB:**

- The online grievance redressal system for SMB has been launched and necessary training has been provided to SMB staffs for day to day use. A small cell has been created within SMB to take care of the system supported by a dedicated landline number for the use of public. System working satisfactorily.

STATUS OF IMPLEMENTATION OF REFORM AGENDA UNDER NERCCDIP SHILLONG

B. SERVICE DELIVERY

- **On creation of one single city ring fenced area for city water and sewerage operations:**
 - A performance based agreement between PHED and SMB for water supply has been prepared and sent to line departments for their concurrence. For the long term, a broad framework of the new model for water and sewerage utility structure for the city has also been prepared for the city . SLRC has approved the jurisdiction, scope and regulatory framework of the utility agency on 1st Feb 2012.
 - Based on the direction of the SLRC, the IDC has worked out the organisational structure of the city utility and draft outline act for the water utility . This has been circulated amongst SLRC members and finalised in next meeting to be held in May 2012.

B. SERVICE DELIVERY

- **On preparation of RFP for PPP in Solid Waste Management:**

- IDC has submitted the RFP, Term sheet and Project Information memorandum for the proposed waste to energy plant to be implemented on PPP mode. Financial model has been prepared and presented to the government. The RFP has already been floated by the government.
- Training and preparation of framework and policy on PSP for municipal assets like bus sheds, toilets and markets ongoing.

- **On Benchmarking exercise for Water supply and Solid waste management:**

- Benchmarking exercise for water supply and solid waste management service has been completed and the same has been notified by the government.

STATUS OF IMPLEMENTATION OF REFORM AGENDA UNDER NERCCDIP SHILLONG

C. FINANCIAL

- **Implementation of Double Entry Accrual based accounting System in SMB**
 - Opening balance sheet for 2009-2010 approved and 2010-2011 finalised. Transaction entry in the new system for the financial year 2010-11, 2011-12 ongoing and completed till February 2012. Accounting manual approved and adopted. Draft amendments in Municipal Act prepared and the bill has been passed in the last assembly. IDC is working closely with NIC for development of customized accounting software. As an interim arrangement accounting entries are done with Tally software. Training of staff of SMB on DEA is also ongoing. Govt. notification for complete migration under process.

STATUS OF IMPLEMENTATION OF REFORM AGENDA UNDER NERCCDIP SHILLONG

- **Reform in property Tax Management System:**

- Unit area method of assessment already in force.
- Up dation of GIS database for property and survey in 16 wards completed. Completion of field survey in the entire SMB is expected by the end of May 2012.
- Verification of survey data along with SMB staffs is ongoing for 16 wards.
- Thirteen meetings of Valuation Committee held for fixing new rate structure and direction for shifting to self assessment system. MVC report has been finalised and will be sent to government by May 2012.
- Required amendment in the MM act has been drafted.
- Present collection efficiency for property tax is more than 70%.
- First round of GIS training has been completed in SMB.
- Demonstration on property tax management software has been completed

STATUS OF IMPLEMENTATION OF REFORM AGENDA UNDER NERCCDIP SHILLONG

- **Introduction and rationalisation of user charges:**

- Overall financial improvement plan for SMB has been submitted as part of the user charge report of SMB. Under examination of State Govt.
- New tariff structure has been proposed for cost recovery for the SWM sub project. Under examination of Valuation Committee. Valuation committee report on property taxes/user charges to be submitted to State Govt during May 2012.
- Although there is no water supply component under NERCCDIP, Shillong, volumetric water charges is expected to be initiated once the metering program for water supply is completed by PHED under the water supply project sanctioned under JNNURM. Till the time meters are not installed the water charge is to be collected on a flat monthly basis as a user charge component.

STATUS OF IMPLEMENTATION OF REFORM AGENDA UNDER NERCCDIP SHILLONG

- **Training support and e-governance programme in SMB**
 - Training of municipal staff conducted on computer applications, accounting and PPP.
 - Training of SMB and other Govt. officials on soft skills by IIM, Shillong.
 - Workshop with SMB, PHED and other Govt. officials on benchmarking.
 - Municipal Accounting software is being developed by NIC with support from IDC. Some modules under trial run.
 - Municipal website is updated.
 - On-line public grievance redressal system, citizens charter developed and formally launched by Minister Urban Affairs on 22nd Dec 2011.

**FINANCIAL PROGRESS/PROJECTIONS FOR TRANCHE 1 & 2 UNDER ADB/GOVERNMENT OF INDIA ASSISTED NERCCDIP FOR SHILLONG as on 1st
May 2012**

Sl.No	Activity/Sub project	Amount in Rupees		Period																
				2009-2010				2010-2011				2011-2012				2012-2013				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	Consulting Services- Design, Supervision and Management Consultancy	100.66 million	Projections				7.51	3.73	6.09	8.63	7.90	6.85	5.86	5.87	4.00	8.30	7.12	4.37	4.51	
			Actuals				8.28	1.23	3.26	2.40	2.39	2.18	4.80	4.62	5.56					
2	Consulting Services- Institutional Development Consultancy	54.77 million	Projections					6.73	4.95	5.45	5.45	8.06	8.06	8.06	4.00	9.40	9.40		9.40	
			Actuals					3.89	3.86	1.64	2.17	1.31	2.92	0.94	6.6					
3	Tranche 1 : Development of Short term Sanitary Landfill Site- Civil Works & Procurement of Equipments	30.70 million	Revised Projections													3.70	3.70	9.30	3.70	3.70
			Actuals																	
4	Tranche 2 : Procurement of Primary & Secondary Collection Vehicles, Household Bins, PPE, Construction of Workshop and Workshop Equipments	36.77 million	Projections																	
			Actuals																	
5	Project Administration & Implementation	25.76 million	Projections			0.65	2.87	2.13	2.13	2.13	2.13	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	
			Actuals			0.65	2.30	0.87	1.09	1.19	0.54	0.95	0.92	1.54	1.53					
6	TOTAL (in million Rupees)		Projections			0.65	10.38	12.59	13.17	16.21	15.48	17.08	16.09	16.10	13.87	23.57	31.32	23.18	22.92	
			Actuals			0.65	10.58	5.99	8.21	5.23	5.10	4.44	8.64	7.10	13.69	0.00	0.00	0.00	0.00	
7	TOTAL -Financial Year wise (in million Rupees)		Projections			11.03					57.45				63.14				100.9	
			Actuals			11.23					24.53				33.87				0.00	

Note: Projections for Consulting Services are exclusive of taxes and annual incremental cost.

ISSUES

- EXTENSION OF CONTRACT PERIOD OF IDC FOR ACCOUNTING, AND PROPERTY TAX AND SERVICE DELIVERY MODULES FOR AN ADDITIONAL PERIOD OF 6 (SIX) MONTHS.
- CLARITY ON DEVELOPMENT OF IPPMS.
- CLARITY ON BASELINE SURVEY.
- UTILISATION OF T 1 SAVINGS.

THANK YOU