

**Report on ADB Review Mission in Gangtok on 23<sup>rd</sup> June 2012**  
**By Mr. Yogesh Goel (Investment Program Manager-IPCC)**

Due to flight problems, I couldn't reach Gangtok on 22<sup>nd</sup> June, 2012 as scheduled. However, ADB team could manage to reach by evening and conducted site visit on 22<sup>nd</sup> Jun'12.

Review meeting was held on 23<sup>rd</sup> June'12. All the covenants of FFA and reform measures were discussed and were found to be satisfactory. DSMC has promised to submit GAP by 10<sup>th</sup> Jul'12.

The technical staff is still on part time basis. PD was asked to engage full time personnel in the SIPMIU. The SIPMIU has now got its office and web site established.

T-I project is in progress (site visit was done by me on 24<sup>th</sup> Jun'12):

- (i) Reservoir: excavation completed, retaining wall is under construction to prevent slippages, will be completed by end Jul'12. Reservoir could be ready by end Oct'12.
- (ii) Pump house: building completed, only finishing and installation of pumps remain.
- (iii) Laying of pipe lines: has started in Burtuk. 250m lay. Work in progress.
- (iv) Procurement of pumps: bidding planned for Dec'12. Since T-1 works are expected to be completed by Jun'13, PD was asked to issue the procurement bids latest by Aug'12 instead.

PD desired to use T-I savings of USD 3mn for additional package under WS i.e. augmentation of feeder mains as the existing system is very weak. He said that it was part of DPR T-2 but CPHEEO was not convinced. Now proper analysis has been done and feasibility assessed. He was informed that T-1 is now frozen as per NSC decision. ADB said that it could be taken up for T-2 within the total allocation before signing of loan, if MoUD agrees.

Regarding Tr-II details are as follows:

- (i) WS (2 pkgs):
  - a. Improvement of distn system: ADB approval recd. on 14.06.12. Waiting for SEC approval (5<sup>th</sup> Jul'12). Financial opening in mid-Jul'12, award by Aug and signing by Sep'12. (It is in 2 lots cost Rs 110.4 mn and 1.83 mn.)
  - b. Domestic meters (12,000 Rs 23.9 mn): bidding planned for Dec'12. Since T-1 works are expected to be completed by Jun'13, PD was asked to issue the procurement bids latest by Aug'12 instead.
- (ii) SWM : (4 pkgs)
  - a. Hydraulic Excavator (Rs 2 mn): Local shopping. Bid to issue on 28<sup>th</sup> Jun, opening on 5<sup>th</sup> Jul, order to be placed by Sep'12.
  - b. Secondary collection vehicles, 1100 l bins, landfill vehicles & equip Rs 17.01 mn): bids issued to be opened on 23<sup>rd</sup> Jul12, to be awarded by end Oct'12, signing in Nov'12.
  - c. Primary collection vehicles, hh bins, etc. (Rs 16.79 mn): bids issued to be opened on 23<sup>rd</sup> Jul12, to be awarded by end Oct'12, signing in Nov'12.

- d. Construction of land-fill, leachate treatment plant etc. (Rs 80 mn): ADB approval recd. on 14.06.12. Waiting for SEC approval (5<sup>th</sup> Jul'12). Financial opening in mid-Jul'12, award by Aug and signing by Sep'12.

Reforms:

IDC has just been appointed and activities are in progress.

1. Devolution: 6 of 18 functions (including SWM) already with GaMC. Remaining by Dec'13 in phases after approval of SEC. WS is with PHED (its City WS wing proposed to be transferred to GaMC)
2. Double Accounting: already with GaMC which has staff as well. However, ADC is customizing ADB software (already done for Agartala) and will provide support to GaMC. Targeted by Dec'12
3. PSP: composting and power could be proposed under PSP. Plan to be prepared shortly. SWM is already under PPP.
4. NRW: already notified. Data being collected by IDC thru surveys, to be over by Dec'12. Likely to be implemented by Mar'13. Presently there is no metering.
5. Regulatory compliance: for sewerage under preparation by PHED Zone-1 under state funding about 80% completed. Zone-2 proposed thru MoEF, Zone 3 under T-3, Zone 4 proposed under NRCP. Draft regulations for SWM to be submitted to the GoSi by Jul12
6. Property tax: draft prepared for UAM. Introduction for 2013-14.
7. User charges: WS: data collection in progress, 100% cost recovery target by Dec'13, SWM: already being collected (35-40%). Financial action plan to SEC by Sep'12

DSMC to still update IEE and RP even though there is no change and the same are on web-site. PD to confirm in writing.

In the evening of 23<sup>rd</sup> Jun'12, meeting was held with the Hon'ble Minister (UD&H), GoSi. He was also apprised of the progress. He was informed of staff shortage and delays in SEC approvals, for which he assured and asked S (UD), GoSi to manage the staff by transfer from PHE and also local recruitment ASAP.

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Date of Submit: 28-06-2012