

**Ministry of Urban Development (MoUD)**  
**North Eastern Region Urban Development Project (NERUDP)**  
**ADB Loan No: 2528-IND IDC-Shillong Action Plan**

**Utility Reforms**  
(December 2012)

Component Task Code	Task	Target Date	Status upto Last Month	Progress During the Month
<b>4.1</b>	<b>Institutional reform</b>			
4.1.1	As-is review of SMB and PHED Shillong circle	May-10	Completed as part of Inception Report.	
4.1.2	Paper on Institutional Options for water supply	Jul-10	Completed as part of Inception Report & interim report.	
4.1.3	Proposed institutional structure for water utility		Preferred option has been analysed in detail in Interim Report 2.	
4.1.4	Road map for governance structure for water utility *	Oct-10	<p>The state government has decided to opt for performance based contract system for water supply between SMB and PHED for bulk water supply and retail water supply. Principles of performance based contract have already been submitted to government. In July 2011, the draft of the Performance Based Agreement also submitted to SIPMIU</p> <p>In the recent SLRC held in the month of October 2011, it has been decided to explore the possibility of forming a city utility. In the similar line IDC has been advised to work on the utility structure for Shillong water supply</p>	Presentation to SLRC on the draft act and organisation structure and roles and responsibility has been carried out on 11 <sup>th</sup> June 2012.

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			<p>and sewerage. Following that IDC has submitted a proposal for utility structure for water and sewerage for Shillong.</p> <p>A note on water utility model is submitted to the government.</p> <p>IDC has presented the model of institutional arrangement for shillong before SLRC in the month of February 2012</p> <p>Proposed Organisation structure for the water utility and outline of the act is submitted to the government.</p>	<p>Shillong Water Supply and Sewerage Bill, 2012 submitted to State Govt.</p>
4.1.5	Business plan for city water utility *	Mar-11	<p>The SLRC has decided not to form a city utility for water supply service. Performance based agreement is proposed</p> <p>Now SLRC has decided to explore the possibility of forming a city utility.</p> <p>IDC will support the state government in carry forward the reform</p> <p>State government has a given a direction to IDC to work on the water utility model.</p> <p>Proposed Organisation structure for the water utility and outline of the act is submitted to the government.</p> <p>Preparation of the business plan will be initiated after the approval of the organisation structure and outline act.</p>	<p>Presentation to SLRC on the draft act and organisation structure and roles and responsibility has been carried out on 11<sup>th</sup> June 2012.</p>

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4.1.6	Support for implementation of reforms in city water utility *	Jun 2011 - Mar 2012	<p>This activity can commence only when SLRC decides on formation of city utility. Instead a user charges paper was prepared and submitted to SIPMIU on imposition of user charges in lieu of PT and using alternative models. GOMe to decide on the model for user charges</p> <p>Now SLRC has decided to explore the possibility of forming a city utility. IDC will support the state government in carry forward the reform</p> <p>State government has a given a direction to IDC to work on the water utility model.</p> <p>Proposed Organisation structure for the water utility and outline of the act is submitted to the government. IDC will provide support in preparation of the draft act after approval of the draft outline act and organisational structure.</p>	Shillong Water Supply and Sewerage Bill, 2012 submitted to State Govt.
<b>4.2</b>	<b>Benchmarking for water supply</b>			
4.2.1	Workshop on benchmarking	July 2010	Workshop completed. Aug 2010 Workshop conducted on benchmarking in March 2012.	
4.2.2	Framework for benchmarking	August 2010	Completd	

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4.2.3	Preparation for formats for SMB and PHED		Completed	
4.2.4	Training for benchmarking of PHED Shillong circle and SMB	October 2010	Guidelines for benchmarking along with template and excel sheets submitted to SIPMIU. Workshop has been conducted for SMB staffs	
4.2.5	Completion of benchmarking report	Nov 2010 - Mar 2011	Draft benchmarking report for SMB has already been submitted in May 2011. Draft Benchmarking Report for PHED submitted in July 2011. Final benchmarking report for SMB has been submitted. Benchmarking for water supply and solid waste management has been completed and notification has been prepared along with fixing up of targets for the next financial year.	Ongoing work on the framing of regulation for SWM
<b>4.3</b>	<b>Tariff reform</b>			
4.3.1	As-is review of tariff	May-10	Completed as part of Inception Report	
4.3.2	Policy paper on user charges and subsidy	Aug-10	Completed as part of Interim Report 2	
4.3.3	Approval of tariff policy	Dec-10	The policy paper was submitted as part of the Interim Report 2 in September 2010. Need to receive inputs on the policy paper and also need to receive necessary data for preparing the tariff model	

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4.3.4	Tariff model	Jun-11	<p>Paper on separation of user charges has been submitted to SIPMIU for consideration. Further work on tariff model can be done based on decision to separate user charges from PT</p> <p>MVC has decided to delink the service charge from holding tax. IDC has prepared the required amendment in MM act for implementation of user charge for various services</p>	<p>The required amendment in the MM act for imposition of user charge has been finalised. The MVC has proposed for imposition of user charge for water and solid waste service and street lighting subject to approval from the government.</p>
<b>4.4</b>	<b>Regulatory Reform</b>			
4.4.1	Policy paper on regulatory reform	Jul-10	Completed as part of Interim1 Report. A note on regulation has been submitted to SIPMIU	
4.4.2	Approval of regulatory framework	Jun-11	<p>GOME to give approval for regulatory framework to enable IDC to work out the detailed mechanism.</p> <p>State government has a given a direction to IDC to work on the water utility model along with regulatory provision.</p> <p>Proposed Organisation structure for the water utility and outline of the act is submitted to the government along with regulatory provision.</p>	<p>Presentation to SLRC on the draft act and organisation structure and roles and responsibility has been carried out on 11<sup>th</sup> June 2012.</p>
4.4.3	Operating plan for regulatory framework		<p>Note on regulatory framework has been submitted to the government</p> <p>IDC is preparing the organisational structure along with outline of the act</p>	

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			along with regulatory provision.  Proposed Organisation structure for the water utility and outline of the act is submitted to the government along with regulatory provision.	
4.4.4	Support in setting up of regulatory framework *	September 2011 - Mar 2012		
<b>4.5</b>	<b>Asset Management</b>			
4.5.1	As-is review of asset management in Shillong PHED circle	Jul-10	Preliminary analysis completed. Unable to complete due to absence of data from PHED	
4.5.2	Methodology for assessing physical assets	Sep-11	Completed as part of Interim Report 2	
4.5.3	Methodology for asset management plan	Nov-10	Can be completed if decision to form city utility is taken. Plan for general asset management plan under preparation	
<b>Private Sector Participation (PSP)</b>				
<b>4.6</b>	<b>PPP</b>			
4.6.1	PPP as is assessment	Sep-10	Completed	
4.6.2	PPP options paper	Mar-11	Note on PPP in urban services has been submitted to SIPMIU. Further work to be undertaken based on decision from GOMe	

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4.6.3	Note on suitability of performance based contracts*	Jun-11	Note on performance based contract submitted. Preliminary draft of performance based contract submitted	
4.6.4	Development of contract documents*	Dec-11	To be prepared based on decision to go for PPP	
4.6.5	Support for implementation of PPP reforms		<p>Draft RFP for PPP in SWM treatment and operation of disposal facility has been submitted to the government.</p> <p>RFP , Project information Memorandum and term sheet has been submitted to the government</p> <p>The RFP for the SWM PPP now has been floated by the government.</p>	